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THE PAISLEY POLICY

"You have had presented to you a nebulous, indefinite, variegated form of Socialism, whose development would certainly prove fatal to those principles of individual, communal and social freedom for which the Liberal Party has always stood. Liberalism is flexible, adaptable, and brings principles which are immortal and eternal to the ever-shifting and growing requirements of a progressive society such as our own."

Mr. Asquith, in his Speech after the Declaration of the Poll.—Paisley, February 28th, 1920.

THE PAISLEY POLICY

By
The Rt. Hon.
H. H. ASQUITH, K.C., M.P.



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PREFACE

THE recent by-election at Paisley, in which I was the Liberal candidate, provided me with the opportunity of surveying domestic and international problems in their various aspects and relations, and of stating what I conceive should be the Liberal attitude towards them.

In the series of speeches here published, I have sought to show that Liberalism, to which the great mass of our people owes its political and industrial enfranchisement, is still better able than any competing political creed to furnish a reasoned and practical policy for the difficulties which confront us, both within and outside our own Empire.

The result of the Paisley election has, I venture to think, shown that Liberalism, frankly and clearly expounded, has not lost its power of appeal either to the intelligence or to the conscience of the electorate.

H. H. ASQUITH.

March, 1920.

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THE PAISLEY POLICY

I

INTRODUCTORY

The Liberal Record

It is as a Liberal who requires no qualifying epithet to that simple designation of his political faith that I have come here; it is as a Liberal I mean to fight this contest; it is as a Liberal I hope to win it. That is not so superfluous an observation as some years ago it undoubtedly would have been; for it is—as you must be aware—a fashion of the hour to treat these old party names and associations as superstitions and symbols, symbols which have ceased to have any living meaning, and the same critics go about representing that it is the duty of intelligent politicians in these days to re-learn their baptismal appellations, and to search the political dictionary for some new and more alluring label. So far, they do not seem to have been very successful in the attempt. But of all these attempts at new shufflings of parties and new titles by which to call parties none proceeds, so far as I am aware, from the Liberal camp. We are perfectly contented with our old name and our old creed, and, indeed, it would be strange if it were otherwise.

The claims of Liberalism upon the allegiance of the democratic electorate of this country do not depend wholly or even mainly upon any venerable and dusty authority. They are written large upon the page of

recent history. Let me spend two or three minutes in recalling to your memory how the Liberal Party was engaged in the years immediately preceding the war. After ten years of exile from power we came into office under the leadership of our revered and beloved chief-tain Sir Henry Campbell-Bannerman in December, 1905, and when the war broke out in August, 1914, we had nearly completed our ninth year. Let me read to you—because praise is always more valuable when it comes elsewhere than from its object—let me read to you a short passage which was pronounced in a speech delivered at Wigan in April, 1909—that is to say, after we had been three years in office—by a very distinguished authority, no less a person than Mr. Arthur Henderson, who then was, as he is to-day, one of the most conspicuous leaders of the Labour Party. This was Mr. Henderson's tribute: "There was no period in the long history of Conservative Governments which in the output of beneficent social legislation could compare with the last three years." That was an under-estimate of the case. But it will do very well so far as it goes.

Just let me remind you what we did, because I want to show you that Liberalism, so far from being an exhausted, dried-up, and impotent factor in our national life, was never more vital, never more effective, than in the years which immediately preceded the war. We shall come to the future in a moment.

What had we done?

Financial and Social Reforms

We had reduced the National Debt to an extent never known before by nearly £100,000,000 sterling. The figure sounds small in these days, when we have a National Debt of something like £8,000,000,000. But in those days it meant that we had almost suc-

ceeded in one way or another in having wiped out the expense of the Boer War. We had reduced the National Debt to an unprecedented degree, and concurrently we had remitted taxation upon an enormous scale. We had established—it was done when I was Chancellor of the Exchequer—we had established a discrimination between earned and unearned income for purposes of Income Tax—an achievement always hitherto said to be impossible, even though in accordance with the plainest dictates of equity. In the Budget of 1909 we had laid the foundation for the taxation of land values. And during this time, when these beneficent reforms and remissions were taking place in our system of taxation, we were able nevertheless by largely increasing the annual expenditure on the Navy to have in existence when the war broke out a fleet of overwhelming power, which more than any other factor contributed to our success and triumph against the enemy. Yes, and side by side with that we established a system of Old Age Pensions and of National Insurance; and, in the Trades Boards Bill of 1909-10, we affirmed the principle of a minimum wage. The principle which was embodied in that Bill applied indeed only to a limited number of specially necessitous trades, but it was a principle which has fructified, and which is capable of much larger extensions.

While all this was being done in the sphere of social legislation, do not forget that we were engaged in the greatest constitutional struggle of our time. We went through two General Elections in 1910 in order that we might clip the wings of the House of Lords and put upon the Statute Book, as we did, and as we never could have done but for the Parliament Act, the Home Rule Act, and the Welsh Church Disestablishment Act; and I ought not to forget here in Scotland that we passed the Scottish Temperance Act,

of which you are about to receive the benefit. All that had been done in the years between 1906 and 1914, and when the war broke out we were on the point of introducing a comprehensive Education Bill on the lines of the measure which by general consent has been passed into law, and we had initiated a largely conceived land bill which would have put an end to some of the grossest abuses of our agricultural system.

The War and Liberal Principles

Then came the war. The whole course and progress of domestic life was of necessity arrested and interrupted. Now that the war is over we are, it is true, in many respects in a changed world. Perspectives have altered; values to some extent have altered; the economic equilibrium of the world has been completely upset. It is my intention in the course of the next few days in addressing various meetings to go in detail into the duties which are cast upon Liberals, and those who hold Liberal principles, in view of these great and grave alterations in political, economic, and social conditions; but what I want to say here to-night is this—these changes, extensive and far-reaching as they are, have not made things false which were true before, nor made things true which were false before. Nor have they, in my judgment, involved any substantial change in the spirit and the attitude of Liberals and the Liberal Party. I want to bring these home by a couple of illustrations.

Among the fundamental principles of Liberalism, as we have always understood and practised it, perhaps the two most essential are, first, its pursuit of freedom in the largest and widest sense—political freedom, religious freedom, economic freedom, civil freedom; and next, its steady insistence upon the rule that in all matters of legislation or of administration the first

object for the Legislature or for the statesman to keep in view is the interest not of this or that particular class, but of the community as a whole. These two root principles of Liberalism are in these days threatened with serious dangers—dangers against which it is our duty, if we have grasped the spirit and significance of the Liberal creed, to be always and vigilantly upon our guard. We have applied—the diplomatists of Europe and the world have applied at the Paris Conference—what it is now the fashion to call (it is an old-fashioned Liberal principle) self-determination; that is to say, the right of the community to be governed in accordance with the wishes and sentiments of its inhabitants and not of somebody else, not even of a minority of its own inhabitants. They have applied that principle far and wide. But there are two parts of the world in which at this moment it is not applied. The Allies have been engaged during the great part of last year in interfering with the application of the principle of self-determination to Russia, and helping this party and that in the internal struggles of the Russian people, instead of taking that which is the only wise and statesmanlike, and certainly the only Liberal policy, of saying that the government of Russia is a matter for the Russian people and nobody else to determine.

But we have a worse case than that, because it is a case which much more deeply touches our own consciences. That is the case of Ireland. We have been building up States of Czecho-Slovaks, Jugo-Slavs, Circassians, Caucasians and Poles, and the Baltic Provinces—not that I am casting any doubt on the wisdom of that policy; but, still, when we have been building up in all these various quarters of Europe these new States founded on the principle of self-determination, we have all the time been governing

Ireland by military rule, in defiance of the will of the vast majority of the people. Self-determination is a good Liberal principle, but it must be applied all round.

Take, again, the sphere of economics. It has been said that Free Trade is not in any danger with the high prices which prevail to-day. I am sorry to think that this is too sanguine a view, for the Anti-Dumping Bill, which is in a state of suspended animation—whether it is alive or dead nobody knows—the Anti-Dumping Bill was a deliberate attempt to interfere with Free Trade, and to interfere by the most obnoxious machinery, namely, not by Parliament, but by the arbitrary will of a bureaucratic authority, and with the inevitable effect, if it were carried into law, of artificially raising the prices of things we need. Believe me, Free Trade is by no means secure so long as you have a majority similar in composition, in aspiration, and in political knowledge and enlightenment to the majority which at present sits at Westminster. I used a moment ago the word bureaucracy. Do not forget that the ultimate aim of what is called the Labour Party, of those who mould and direct and inspire its policy, is the acquisition and operation by the State of the whole machinery of production of the country. Conceiving that it could be brought into practice, that is a form of industrial tyranny against which, in my opinion, it is a primary duty of Liberals to protest.

As I have said, this is only a preliminary talk; but I want you clearly to understand what my opinion is, and anybody who votes for me will do so without any excuse for misapprehension. I will only venture to say this one thing more. I was nearly twelve years ago elected leader of the Liberal Party. In all the many and arduous struggles which took place in the intervening years I had the privilege of

occupying the post of command. Never had anybody, any statesman, any leader, any captain of forces, more reason for gratitude to loyal and affectionate followers. On the other hand, I will venture to claim for myself that during the whole of that time and up to this moment I have never lowered your colours or betrayed your trust. It is upon the faith of that record that I ask for the confidence of the Liberal electors of Paisley.

II

Constitutional Questions

I HAVE come here to Paisley at the invitation of the Liberal Association as a candidate for your suffrages, as one who believes in the continued vitality of Liberalism and who holds it to be of urgent national importance that the Liberal Party should be brought back to the position which it has so long and so splendidly occupied as the principal organ and instrument of political and social progress. I have already endeavoured to vindicate its title to that position from its past achievements. And happily, with men and women of common sense, such a prosaic enumeration as I have given of the great things which, within comparatively recent memory, the Liberals have done for the people of these islands, is not successfully met either by vague generalities or still less by irrelevant personal abuse. It is a matter of history; it is either true or false, and whether it is true or false depends upon the now completed and unimpeachable records of the past.

An Invertebrate Body

Now, Coalition—what is called Coalition, which means a combination in Government of persons who, under former political conditions held diverse and indeed irreconcilable views—Coalition may be a national necessity in a time of a national emergency. I think

myself that it was a necessity for the maintenance of the national unity, and the concentration of the national effort, in the prosecution of the war. I myself was responsible for the formation of the first Coalition Government, and for more than eighteen months I was its head, and so long as the issue of the war was still undecided I gave to the Coalition, both in office and out of it, loyal support. But hardly had the enemy laid down their arms than advantage was taken of what I may call the ground-swell that follows the storm to precipitate a General Election; and voters, vast numbers of whom had never exercised the franchise before, were induced to give to the Coalition a new and indefinite lease of life. The result has been what many of us, what I for one, predicted. You have a House of Commons which, as the uniform evidence of the by-elections shows, is, month by month, increasingly out of touch with the opinions, wishes, and wants of the nation. An experiment, necessary and safe in time of war, has broken down, as it was bound to break down, in time of peace. I do not think that there is really any dispute about that in the political world.

The fact is recognized by a growing number of those who support the Coalition, and it is proclaimed and avowed by some of the leading members of the Coalition itself. I need only refer to the Lord Chancellor, who the other day applied to it the not very flattering epithet of an "invertebrate body." They are clamouring, just as much as we are, after a year's experience of this disastrous adventure, for a return to our old party life, although, no doubt, they would like to reshuffle and relabel the parties. But whatever happens—and I never made a statement with greater confidence in my life—the Coalition is under sentence of death, and the only question is, whether it is to end its days by suicide or at the hands of the executioner.

The Call to Liberalism

In these circumstances, it appears to me that the call to Liberalism is both clear and imperious : that the Liberal Party re-form its ranks, and start afresh on its interrupted march. That does not mean, as some superficial critics impute to us, that Liberalism is rooted and stuck fast in the past, that Liberalism to-day ignores the changes that have been brought about by the war. Some of the great results of the war, if they are adequately realized, are in complete harmony with what for ages past have been Liberal aims and ideals. I mean, for instance, the abolition of militarism ; I mean the progressive disarmament of the civilized peoples of the world ; I mean the recognition for small States as well as for great States of the principle of self-determination, the right of the majority of the community, be it strong or weak, rich or poor, whatever its area or population or position in the world, the right of the majority of the people to determine for themselves the way in which they are to be governed. And it means, above all, or ought to mean, a conversion of the old State system of the world, not merely in Europe but throughout the civilized globe—a conversion of the old State system with its precarious equipoise of power, with its shifting alliances and combinations, with its infinite opportunities for the achievements of selfish ambition and territorial aggrandizement, it means the conversion of that into a true international democratic polity, a system of Government under which there will be equal rights and equal power to all States whatever their size, whatever their history and future is likely to be. These are results of the war which, as I have said, are in strict harmony with everything at which Liberals for generations have been aiming.

But that is not all. The war has made some of the old social and political problems here at home more

acute, and it has brought into existence new problems which did not confront us in days gone by, or did not confront us except as somewhat dim figures in a remote future. Many of these problems cannot be solved by the old formulæ; and the power of Liberalism and of the Liberal Party to deal with them will be the true test of the flexibility and vitality of our Liberal creed.

The New Franchise

Now let us come down to the more concrete matters. Let us look, from the Liberal point of view, at our constitutional situation, the machinery of government, reserving the case of Ireland for some future occasion. First of all, take the House of Commons, our representative system. We have just entered into the experience of the new Reform Act which has enfranchised a far larger number of new citizens than any previous act of the kind in our history. I see some rather strange and misleading accounts, by the way, of the origin of the Act. It has been put forward as one of the first-fruits of the Coalition, of which one of my opponents is a supporter. The history of the Franchise Act is this. It was initiated by myself, by an invitation which I gave—I was then at the head of the Government—to the Speaker of the House of Commons to summon a conference of men representing all parties, to see if we could not come to an agreed arrangement of Franchise extension. The Speaker was good enough to respond to that invitation. The conference was summoned and the Act, which is now part of the law of the land, is to all intents and purposes the statutory embodiment of the report which the conference made. That is the history of the matter.

One of the great changes made in the law was the extension of the franchise to women. I have all my

political life been an opponent of women suffrage. And in a sense, and a very true sense, I can appear to you, or to any body of my fellow-countrymen, not literally, but metaphorically, in the white sheet, not of a penitent but of a convert. What was it that converted me? It was not a sudden gush of emotion, nor a mere recantation of views which I had held in days before. What converted me—and that shows that people brought up in the Liberal school have minds which are accessible to new experiences and new ideas—was the experience of the war; first of all, the part, the splendid and indispensable part, in so many different fields of activity which women have played in the war; and next, what is as important, the realization of the fact that when you come to the great problems of reconstruction arising out of the past war, it is impossible, in fairness and in justice, to deny women a voice in the settlement of their future. That is the history of my conversion, and I am not the least ashamed of it. I always said in my unregenerate days, as I do now: if you are going to give the franchise to women, if you are going to ignore the distinction of sex, do it logically, do it consistently, place women upon the same level as men. The Act of Parliament does not do so, and I am in this somewhat anomalous position. I strongly maintain to-day, as I did then, that once you recognize that women ought to have the vote, they ought to have it under the same conditions, and amongst them at the same age, as men. By an extraordinary compromise—put in, as I suppose, for the benefit of the weak-kneed—women don't get the franchise until they are thirty years of age. That distinction ought to be obliterated and the franchise extended to women with the same fullness as to men.

There is another, and only one other, matter to

which I should like to refer on this occasion in connection with our representative system. There is a great blot on the face of the Act, of the present law, namely, the imperfect and inadequate representation of minorities. All these by-elections tell the same tale, and every election that was held at the General Election in December, 1918, emphasized, that until you have either some form of Proportional Representation—or at any rate, until you have the Alternative Vote, which is a simpler way—until you have either the one or the other, you have no security that the Member who goes to Westminster does not represent a minority and not a majority of the constituency.

A Second Chamber

Well now, so much for the House of Commons. Let me say a word or two about the Second Chamber, the House of Lords. I must preface what I have to say about the necessary changes in the constitution of that body with an acknowledgment of the splendid services which it has rendered in recent years, particularly during the last twelve months, to the cause of freedom and justice. We have had to allow—it seems a paradoxical thing for a Radical to make this admission, but it is an admission extorted from us by a sense of fairness—we have had to acknowledge that on two or three most critical and even crucial occasions the House of Lords, and not the present House of Commons, has shown itself to be the true friend of liberty. That was particularly the case in the transformation of that most reactionary and vindictive measure which dealt with aliens.

We are all agreed that it was one of the terms upon which the Parliament Bill was passed—we are all agreed, and none more so than the

members of the House of Lords itself—that its present constitution cannot be justified, that a hereditary chamber of any kind without a mandate or pledge is an impossibility and an anachronism in these days.

I desire to see substituted for our present Second Chamber—the present House of Lords—a chamber much smaller in number, constituted partly by nomination. There should be room in such a chamber for distinguished public servants, who have exercised in non-political spheres, such as upon the Bench or in the Government of the Dominions and Dependencies, important and responsible functions, and gained invaluable experience. The chamber should be partly nominated, but—to the extent of, say, two-thirds—elected, in part by popular constituencies for a fixed term of years, and in part by the House of Commons for the duration of its own life. So you would have a body, a relatively small body, consisting of these three orders; and I feel satisfied that in the long run, in the first place, there would be fewer occasions of conflict between it and the really representative House of Commons even under our existing system, and next, that in the event of a difference of opinion between the two bodies, it would command a far larger share of public confidence and authority than is possible to a chamber which is recruited entirely upon a hereditary basis.

Devolution

Next I come to a matter which is perhaps even more interesting to you, the question of Devolution. However representative your House of Commons may be, and however well composed and authoritative your Second Chamber, yet the two together cannot possibly continue to discharge the functions of both an Imperial

and a set of Local Parliaments. And in regard to no department of affairs is that more manifest than in regard to Scotland. I was in the House of Commons for over thirty years as a Scottish member, and when I left the House of Commons I was what is called the *doyen*, the father of the Scottish members; I had been there longer than any of the others. No one has seen more than I have of the manner in which Scottish business is transacted by our Imperial Parliament. As you all know, and as we at Westminster know much better than anybody outside, the results of the method are entirely unsatisfactory. And it must be so. After all, the main purpose, and properly the main purpose, for which the members are sent to the House of Commons—and the grounds on which I am going to ask you to send me to the House of Commons—is not because of my knowledge of the affairs of Paisley, although I hope to acquire some knowledge of these in the course of time—not because of my intimate acquaintance even with the affairs of Scotland—but because you think that I am qualified to represent you on all those larger and wider questions of general legislation and Imperial policy which affect, not one part or another part of the kingdom merely, but which affect the whole country and the whole Empire.

This is what should be considered when you are choosing a member for the House of Commons. But the inevitable result is, first of all, that a number of members go there who are more or less imperfectly acquainted with local affairs, and who would not be selected if the purpose was to deal with local affairs only; and that local affairs, through lack of time, through congestion of the legislative machinery, and through the superior and overriding claims of Imperial matters, local affairs are thrust into the background,

treated scantily and superficially, and perhaps sometimes not treated at all even after years.

There is only one way to deal with the problem, and that is, to the various parts of the United Kingdom—and Scotland, I take it, has a plain and an indisputable claim to this—to give local legislatures freely elected by the peoples of the different Kingdoms and principalities, and with full and complete control over local affairs, thereby securing at the same time that their own particular business will be conducted by people who understand it and will carry it through, and setting free the Imperial Parliament, which wastes a great deal of time on local affairs with which it is but imperfectly acquainted, setting it free for the discharge of its great Imperial duties.

Overseas Dominions

That brings me to indicate lastly that we must have a change in our Imperial System. One of the most marked features of the ten years or so which preceded the war was our growing disposition and habit to take into conference the representatives of the great self-governing Dominions. I myself had the privilege of summoning to the Committee on Imperial Defence on several occasions in the course of those years the representatives of the Dominions. And it was a great honour which fell to me for the first time to bring within the walls of the British Cabinet, to take part in our deliberations, the Prime Minister of one of the most important of our Dominions. That is a procedure which I am glad to say is being developed at the present moment. You must have a system—and I should make it a very elastic system—you must have a system, not bound by red tape or any parchment conventions, under which periodically, and in regard to

what I may call vital questions of Imperial policy which affect the Empire as a whole, you can bring into conference and consultation with the Imperial Government and Parliament here in London, representatives of these great Dominions whom we recognize more and more to be free and co-equal partners with us in the gigantic institution that has grown up by a series of what some people call accidents, and other people might call miracles—the British Empire.

I am not in favour, I tell you frankly, of the schemes which you see sometimes put forward for the creation of what is called an Imperial Parliament—that is, a Parliament in which the Dominions will be directly represented. I do not think it is practical, and what is more I do not think the Dominions want it. Nothing can be worse in these matters than to endeavour to force the other members of our great family, in the interests of some ideal of symmetry, into acceptance of measures which do not commend themselves to their judgment and which in practice would be found impossible or highly inconvenient to carry into effect. But everything that can be done to increase and render more intimate intercommunication in regard to matters of Imperial import between ourselves at home and the Dominions abroad is a thing which I not only desire, but shall do everything in my power to promote.

Let me point this out to you—I have been speaking as a Liberal, and I have no doubt there are a great many Liberals here, but there are others who are not—but as a Liberal and speaking for the moment to you as fellow Liberals, one of the great principles which we have learned during the course of the last fifty or sixty years, and which has now become an integral and vital part of our creed, is that the way and the only way to keep an Empire such as ours

intact and together is to combine Imperial unity with complete local autonomy. The strength of the whole, which means in testing times the strength of all the parts, depends upon a double consciousness spread throughout the Empire; a consciousness that in every part which is a homogeneous unit you have complete control of your own domestic affairs, and, at the same time, a consciousness, equally keen and equally certain in its operation, that we are members, one with another, and all of us, of the greater whole which has common interests to defend and promote. It is by combining these two forces that we have made our free Empire a thing without parallel or precedent in the history of the world. We have never had a more magnificent illustration of the strength of principle when it is practically applied than we had in the war. We had no power whatsoever to insist upon our Dominions coming to our help. We had no coercive power of any kind. What they did they did spontaneously. They did it spontaneously, they did it generously, they did it lavishly, and their services to the Empire are such as can never be adequately described and such as no historian of this country will ever fail to remember. But these services were so profuse and so effective because they were rendered by people who had it in their power either to give or to withhold, and it was the feeling among the members of this great family that no attempt was made, or could be made, to fetter their hands and stunt their growth, it was this sense of freedom that contributed more than anything else to the spontaneity with which they came to our aid.

Now I have put before you my views in regard to what I call the machinery of government. They are, I think, strictly in accordance with the lines of Liberal policy in the past and yet they recognize to the full the

changed, the ever-shifting conditions which not only the war but the growth of population and the changes in the economic condition of the world have brought about. I have only to say once more that, if you see fit to send me as your representative to Parliament, it is upon these lines I shall proceed, and, I hope, with your goodwill and complete assent.

III

National Finance

WHY have I thought it right to accept the invitation tendered to me by the Liberals of Paisley to contest the seat? It is not, I assure you, from the love of fighting for fighting's sake. I have had enough and more than enough of that in my life to satisfy the most combative and bloodthirsty disposition. That is not my view. It is because I conceive it to be my duty—a duty cast upon me by my long experience of public affairs and by the confidence, which I am proud to believe I still possess, of my old party—to do all I can to convince my fellow countrymen that the present House of Commons represents not the settled mind, but a passing mood of the electors; that it has shown itself during the first year of its life neither an authentic spokesman nor an effective steward of the national interest; that it is incapable of checking or controlling administrative folly and extravagance; that it is only too ready to sanction and to become a partner in reactionary legislation; and that in its hands we have no settled policy, but are at the mercy of an incoherent series of experiments and adventures.

The first requirement of the country is an organized, instructed, and effective Opposition. The first duty of such an Opposition, as of all Oppositions, is to be critical. But it is not enough that it should be critical. It must also be constructive; it must not only find fault, it must be able to show a more excellent way.

I propose to indicate the lines on which such an Opposition should in my opinion proceed. There is a great deal of ground to be covered, and we must go one step at a time. First, therefore, I mean to confine what I have to say to our economic conditions, not with reference to the organization of industry, with which I will deal subsequently, but with reference to that aspect of them which overshadows and dominates them all. I mean our National Finance.

We are not Paying Our Way

Now, what are the facts? Let me say, first, that owing to the faulty and shifting estimates both of expenditure, of revenue, and indebtedness which are put forward, and withdrawn, and amended, and re-amended by the Government from time to time, it has been, and still is, extremely difficult to get at the real facts. The deficit for the year, which was originally estimated at £250,000,000, we are now told—and I believe it is within the mark—will amount to something like £500,000,000. What does that mean? Translated into more homely and intelligible terms, it means that we are spending more than we are receiving, every day of the week, by something not very far short of a million and a half. The original estimate of our expenditure has been increased by nearly £200,000,000, for which the Army is largely responsible. Our total indebtedness, which was put down at the appallingly huge sum of £7,700,000,000, is now £8,000,000,000, of which the Floating Debt, by far the most unsatisfactory feature of the whole balance-sheet, is not less than £1,300,000,000. And side by side with enormous borrowing you have as its necessary concomitant and consequence two things that are closely related to one another: an almost unprecedentedly high range of prices—a range of prices unprecedentedly high at all

events since Free Trade became the law of the land—and an inflated currency.

Now you cannot go on borrowing your way. You must pay your way; and first of all by the very simple and elementary process with which all of you are familiar in business and domestic affairs, first of all you must bring your daily expenditure within your daily income. It is a truism to say that can only be done in one or other or both of two ways, either by reducing your expenditure or increasing your revenue. I want you to look at the problem from the point of view of Liberal statesmanship and to see what is the first thing involved. I think it is the heavy expenditure. In regard to that I put forward for your consideration two or three elementary, but none the less important, propositions.

In the first place, we must be scrupulous to fulfil all our obligations of honour. We must keep faith with the public creditor who has lent money to the State in times of need and emergency. And we must never forget to honour our obligations to the pensioners, naval and military, those who have served the State in war, or the dependants of those who have died on service; and upon the Civil side, of our old men and women, the veterans of industry, the old-age pensioners. These are obligations that we must always scrupulously fulfil, not only in the letter but in the spirit. The reduction of the principal of debt—always within the terms of the bargain that you made with the creditor—is in my opinion a matter of primary and paramount importance; and for two reasons. In the first place, because of the lightening of the national burden and, perhaps still more, because it is the only way that you can re-establish the credit of the country and have a reservoir of resource to fall back upon in case of emergency and need.

I lay down a second proposition, also a negative one: you cannot reduce your expenditure on the great social services, such as Education and Housing and other similar purposes. You cannot do that, and for a very good reason: it is a remunerative expenditure; it is an investment; indeed, it is the only safeguard, by way of insurance, you have for maintaining and increasing in the future the material, and what is equally important, the moral supremacy of the country. We must have an instructed people, and the level of our average standard of instruction must be constantly rising. Year by year and generation after generation, we must have a well-housed people living under decent conditions. You will never have decent conditions until you make their houses "homes" in the real sense of the term; and, I would add, the conditions of labour must give the people leisure not only for recreation but for the cultivation of the refinements and humanities of social and communal life. You cannot economize there. It is the most short-sighted policy that any Government in any Parliament can undertake. On the contrary, you must look forward under these heads to an increased rather than to decreased expenditure.

Retrenchment

I come now to a positive point. The first step to be taken is to put a stop—I use the words "put a stop" advisedly—not to trim and prune or compromise with little cheese-parings here and there, but to put a stop to the profligate extravagance, the excrescences and superfluities, the unnecessary offices and places, the crude and ill-advised experiments which are the worst legacies of the war. That can only be done, first of all, by a strong, strenuous, emphatic, and I was going to say an imperious public opinion outside, and next, by

the restoration of what necessarily went into abeyance during the stress of the war, the restoration in its fullest integrity and authority of the control of the Treasury and of the House of Commons. That is the practical way. But there is a fourth proposition under this head which I think is equally important. You want and you must get and insist upon getting—the Liberal Party ought to make that one of its first aims—a rigid and drastic reduction of the whole cost of what I may call the machinery of destruction, and particularly of your army. It has been said, and truly said, that expenditure depends upon policy, and in no department is this more true than in the expenditure upon the army. Recently all the great Powers and many of the smaller ones have come to a solemn covenant which we have called the Covenant of the League of Nations, of which the primary purpose was the prevention of war in the future, and the primary means which they have agreed to adopt for the attainment of that purpose is disarmament, so far as it is possible and practicable.

It is all very well to write these things down on a piece of paper, to affix a seal, and have a solemn international pact. The question is, are we and the other parties to that covenant really in spirit aiming at its object and pursuing its means?

Costly Adventures

Let us look at what has happened during the course of the last twelve months in our dealings with Russia. We have had some little disputes, Mr. Winston Churchill and I, about the precise figure, but as the Prime Minister has adopted my figure, and not his, I feel I must be on safe ground. With that necessary precautionary parenthesis, I may say that it is conceded that we have spent, in the course of the last twelve

or fourteen months, upon financing the various generals who are fighting the Bolshevik Government in Russia, a sum substantially in excess of £100,000,000 sterling. That is part of the expenditure of the year, and I read with disquietude, and with as much incredulity as I am able to command, that other and what I may call supplementary adventures of the same sort are now in contemplation which will involve the dispatch—I hope it is untrue—of British troops in this direction or that for purposes which I do not believe the British people as a whole approve, and which I am perfectly certain, in the existing condition of our finances, no British Government or British Parliament ought to sanction. The moment you get on to that inclined plane there is no stopping until you get conscription. We all know what conscription means. We adopted it in the war. The Government of which I was the head adopted it in the stress of war, to the dissatisfaction, I believe, of many of our friends. During the first two years of the war we made heroic efforts to raise a voluntary army, and we secured the services of some three millions of men. New fields of conflict were, however, presenting themselves, and military opinion was absolutely unanimous that more men must be obtained than the voluntary system could supply. We yielded, and I think we were right in yielding, to these military considerations. But we at the same time gave the most explicit pledges that when the object of the war was attained conscription would cease, and I am certain that the people of this country will never tolerate its revival except under such conditions as, please God, may never return.

Revenue

Now, I have indicated to you what in our view is the proper way of dealing with our overgrown expenditure. Let us now turn to the other side of the account

and speak of revenue. Reducing expenditure will not carry you over the difficulties. You must increase your revenue also. Let me say by way of preface that I am not one of those who believe that this country is in any sense of the term bankrupt. I don't believe that it is a poor country. I see around me on every side, and so do you, remarkable signs—signs that I suppose the oldest of us has hardly witnessed in his experience—of comfort, luxury, even of superabundance. The country is not bankrupt. There is money to be got, there are additional resources to be obtained provided you know the right way to go about it. There are right and wrong ways; there are wise and foolish ways. In the first place, I rule out all forms of protective finance. There is no such scheme which the wit of man can devise that will not in the long run do more harm than good to the trade of this country, and for a very good reason. It is to our interest to have the freest and openest market in the world—our interest because we derive and must continue to derive the bulk of our raw materials and our food from extraneous quarters. Our interest also because, alike as producers and consumers, we need cheap commodities both for our own consumption and for the materials of industry. I rule that out as discredited by experience. Further, I do not believe that we can make any substantial addition to the revenue by increasing indirect taxation, and by that I mean taxation upon commodities which enter into the consumption of the people. They are already taxed up to a point beyond which it seems to me further taxation would be unproductive and impolitic.

The Right Sources

Well then where are we to go? I will take one or two proposals which seem to me, some of them

desirable and others well worthy of consideration. Take first of all the proposal which I know excites great interest in this part of the world, and which was unanimously approved at the last meeting of the Scottish Liberal Federation, the proposal for the taxation of Land Values, that is to say for levying taxes and rates also upon the unimproved value of land. We made the first step in that direction in the Budget of 1909. I am afraid the duties imposed by the Budget are at this moment in some little jeopardy, but I can speak with a perfectly clear conviction upon this matter. I think, as I have always thought, that land should contribute, not in the sense of a penalty but on considerations of justice and equity, with other forms of property and other forms of income to the general burdens by which the whole community benefits and which ought to fall with an even load upon the shoulders of all classes. My formula has always been this, and I think it is a very sound one, that land should be assessed for public burdens upon the same valuation at which land has to be from time to time acquired by the community by purchase for public purposes. That is a sound Liberal doctrine, and we had a rather curious example of the application of that principle in the legislation of the present year—the Land Acquisition Bill. The Liberal Party in the House of Commons proposed to apply that simple equitable Liberal principle to the valuation of land under that Bill, but I am sorry to say that they did not receive very much support from the Labour Party.

I pass on to the proposal for the taxation of war fortunes. One of the most successful taxes, certainly one of the most productive taxes imposed during the war, was the Excess Profits Tax. But of course there is a great deal of wealth that was acquired during the war, and largely in consequence of the war, a great deal of addi-

tional wealth which did not come within the scope of the incidence of that duty, and which represented a permanent addition to the resources of those who were fortunate enough to obtain it. I conceive it to be clearly just and right that that accumulated wealth which is the result of the war should be subject to taxation, just as the profits of income, comparatively fleeting profits, made during the war were the subject of it then. Taxation on a fair scale on that accumulated wealth would I am certain bring a very large sum.

And then I go to another proposal, the proposal of what is called a capital levy—an unfortunate, and in some respects an inappropriate and misleading term. I told you a few moments ago that in my judgment, and in the judgment, I believe, of all Liberals, taxation must not be confiscatory; but there is nothing in principle to differentiate a tax imposed upon accumulated wealth from a tax imposed upon wealth as it comes in, what we commonly call the Income Tax. Or to put the same thing in more concrete terms, you may have Income Tax raised to such a figure in the £ that it is really far more, not only sweeping, but far more injurious and unjust in its consequences than almost any conceivable levy upon capital. It is not a question of principle. It is a pure question of expediency and method, and of that only; and I deeply regret that when nearly two years ago I myself urged upon the Government the importance of undertaking an immediate inquiry into this matter—the expediency or the possibility of a capital levy—they saw fit to return a negative to my request, which I now repeat. I am of opinion—and I strongly repeat it—that inquiry into this matter is urgent and ought to be immediate. There are three questions, and three questions only, which I think before it is adopted ought to be shown to be capable of being answered in the affirmative. The

first is—can it be made equitable in its incidence between different forms of wealth? The second is—can it be arranged so as not to discourage saving? The third is—can it be brought into working order by practicable machinery? If these questions, on investigation by competent authorities, can be affirmatively answered I know of no Liberal principle that would require us to object.

Our principle in regard to taxation, particularly indirect taxation, is this: that the whole fruits of the tax, the whole produce of the tax, and the whole profits derived from any form of State subsidy should go into the Exchequer or to the benefit of the consumer, and no part of it should be intercepted by private interests. The war has affected the finance of all countries in the world. And the great thing to be done at this moment by the statesmanship not merely of this country but of civilized mankind is to restart the business of the world without restriction, without exception, that all countries may come in, our late enemies, our late Allies, the Neutral Powers, and ourselves. It is a matter in which one cannot suffer without all suffering, and which you can never satisfactorily or permanently deal with by the childish—I was going to say the barbarous—expedient of erecting or maintaining impenetrable stone walls between communities. The world's work, the interests of nations are inextricable, they rest upon the basis of interdependence. What we can do is to place our common finances, so far as may be, upon a sound footing adapted to our own conditions and our own interests. But we must not stand selfishly aside; we must be prepared to take our part in co-operation with all the great peoples in the supreme task which now lies before us in recreating from the very foundations the common industrial structure which gives shelter to us all.

IV

Industrial Problems

My views on the economic situation in its bearing upon national and international finance have already been expressed. By way of supplement to what I then said, I propose now to draw your attention to these same economic conditions in their bearing upon our domestic industrial organization. I approach the problem, as all Liberals ought to approach every problem of the kind, from the point of view, not of capital alone, nor of Labour alone, nor of the consumer alone, but of the community as a whole—the community in its character as a wealth-creating, wealth-distributing, wealth-spending, and wealth-accumulating machine. I will start with two or three elementary propositions which, I hope, will secure universal assent.

Evils of Monopoly and Restriction

The first is this. It is to the common interest of all that the country should produce the commodities which it needs, or—and it is equally important—that it can give in exchange for those which it needs, and which are produced elsewhere, in the greatest possible volume and of the best possible quality. We shall all agree to that. It is also in the common interest that, as between the different classes engaged in production and distribution, the profit may be evenly, justly, and

equitably distributed. And thirdly, it is also to the common interest, as between producers and consumers, that the commodities should reach the consumer at prices which, while they give an adequate profit to those engaged in their production, should not be artificially enhanced. If you start from that there are obviously, to all of us who are Liberals, dangers against which we ought always to be on our guard. The first and one of the most insidious is Protection, which by increasing the cost of food and raw material both handicaps the domestic producer in his competition with rivals in the markets of the world, and impoverishes the consumer at home. For very similar reasons it is equally important to be on your guard against the growth and injurious development of monopolies. And hardly less important is the growing abuse, facilitated by the new economic conditions of the world, the growing abuse in these days of combinations which remove great industries from the free play of competition and leave the consumers at the mercy of rings and of trusts.

Observe that these are all cases that have this common feature, all cases in which particular and private interests would, if left unchecked, be able to exploit common needs, and appropriate to themselves what ought to be shared by all. I remember a typical illustration, which dates a long time back, to the time I think when I was a boy, when a petition was presented to the American Congress from a body called the Egg Packers in the state of Ohio, who wanted import duties placed upon foreign eggs, particularly British eggs, on the ground, as they said, that it was necessary to counteract and frustrate the "infernal activity of the pauper hens of Europe." That is Protection all over. The other day I saw—it shows how long-lived these fallacies are—a scheme for a tax on some com-

modity or other on the ground that the sun was hotter and shone more constantly in the competing countries than here in Great Britain. Well, these are dangers which we ought always to be on our guard against. There is no remedy to be found for the evils of our existing industrial organization—about which I have got to say something—in any device which either checks production or encourages profiteering. Never forget that you should always think twice or thrice before you sacrifice, in any part of the industrial field, the enormous advantage you get from free competition and an open market, as distinguished from a policy of monopoly and restriction. The first of these advantages is that it applies a constant stimulus to improved methods of production and to liberty of experiment; and the second is that it safeguards the consumer as regards the quantity, the quality and the prices of the commodities he requires. That is the case with free competition.

A New National Minimum

I spoke a moment ago of the evils and difficulties, the unevenness and inequality, of our industrial organization. Our friends in the Labour Party seem to suppose they are the only persons who are conscious of these matters, are alive to them and anxious to set them right. But they are manifest and manifold, and they are summed up in the demand—and as I have said the righteous demand—of Labour for better conditions of work and life, for a more effective part in the conduct of production, and for a larger share in the output. Under the stress of war a substantial advance has been made in these respects in many trades; and what I have said before I repeat to-night, the country is not going back, and the country ought not to go back, upon pre-war conditions, either as regards remuneration of labour or

standard of life. What has been obtained ought to be regarded as a national minimum, and, where it has not been obtained, conditions should be levelled up until it is reached. In these matters we ought not to look to selected and preferred industries, but to industries as a whole.

Varieties of Nationalization

This brings me to one of the catch-phrases of present-day political controversies. I and other Liberals are constantly asked "Are you in favour of Nationalization?" When I am asked the question I address a counter-question to my questioner, and say to him, "What do you mean by Nationalization?" Let us look not at phrases and words, but at things. It is not a matter of abstract philosophy or principle, but of practical expediency. Experience shows that there are certain industries and certain services which, in the interest of the community, can be better and more safely carried on by the State or the municipality than if they were left to private enterprise. They are for the most part of such a kind that, from the nature and necessities of the case, you could not have free competition between rival producers and purveyors without the danger—and there is always the danger—of creating a monopoly. You all know the familiar illustration of the Post Office—the work of carrying letters and messages, the case of the supply of water and of light, the case of electric power, the case of tramways. I could easily multiply instances. I do not think that there is any controversy or difference of opinion about that at this day. Let us come, then, to a matter of controversy, the case which is constantly presented to us now, the proposal for the Nationalization of mines,

Coal Mines

The mining industry is in many respects in an almost unique position. Coal is an article of prime necessity to our industries as a whole; and our domestic and our export trade, till some new form of motive power is discovered and developed, are, and will continue to be, largely dependent upon it. Further, I think there is abundant evidence that under existing conditions the coal mines, as a whole, are not being worked to the best advantage, or with the most economical organization. Starting from these premises, I say to my nationalizing friend, "If you mean by Nationalization the acquisition by the State of mineral rights and royalties, I agree with you. I think the case is made out. But if you mean that our mining industry is hereafter to be worked and managed under State supervision and control I say 'No.' " And I say it for what seems to me a very good reason. It would mean, grave as I admit are the defects in some respects of the existing system of organization, it would mean installing in its place something much more defective and mischievous, namely, bureaucratic management and control. We have had during the war and the years following the war abundant, and I venture to add disastrous, experience of bureaucratic interference. There is no business in the world which has more need to be carefully conducted and handled, both from the point of view of domestic production and still more perhaps of our export trade, than the coal industry. I have the highest respect for our Civil Servants, but I don't think that any body of State servants you can select can possibly be put into the place of those skilled and experienced men who have grown up—I am speaking of masters, managers, and miners, all three—in daily contact with the conditions, the necessities, and prospects of the trade, without serious injury to the trade itself

and thereby both to the producers and consumers of the country.

A Scheme of Reform

It may be said, What are you going to do? What do you propose? Well, I have thought a great deal about the matter, and the difficulties do not seem to me to be insuperable. I should set up in the different areas, in the coal-mining areas, a joint board or council of employers, of managers, of workmen, and entrust to it, not only such matters as wages and hours, but the general supervision and control of the conduct of the industry. I should have on the board a representative of the State—because, you will remember there is always a third party in these matters. We talk of Capital and Labour, we talk of the employer and the employed, but there is a third party, who is more important than either of them, and to whose interests they are both tempted to give the go-by, and that is the consumer. Now, I would have a spokesman and vigilant watchdog for the consumer. I would have an impartial representative of the State on the board. I do not believe that in practice such a body, composed, mind you, of men intimately acquainted from their bringing up and from their experience with all the intricacies of the industry, would be found to throw away the incalculable advantage of skilled and experienced management. The miners would, for the first time, feel that they were partners, not only in name, but in fact and reality, in the great joint adventure in which they and their employers were engaged.

Evils of State Socialism

But the demand for the nationalization of the mines is a part, an instalment, of a larger and wider demand

which is the avowed aim, at any rate, of the more advanced spirits and, so far as I can make out, of those who really govern and direct the policy of the so-called Labour Party. I was very much struck by a sentence I read in a speech made here in Paisley two or three days ago by the able gentleman who has been selected as Labour candidate for this constituency. He had been denouncing monopolies, very properly, and as fervently as I should, and he used these words: "We" (meaning the Labour Party) "are against all forms of monopoly except one"—a rather important exception, as you will see in a moment—"and that monopoly is the nationalization of industry." They believe the nation ought to own a monopoly of the industry of the country, and no other monopoly will suit. That is very frank. It justly describes it as a monopoly, and so it would be to all intents and purposes. It is all-embracing, and includes, I suppose, that excellent and admirable product of voluntary effort and enterprise, the Co-operative movement. Yes, that has got to be nationalized too. You cannot have any preference or exclusions in these matters.

Let me sum up in a sentence or two what the effects would really be so far as I foresee. It would sap the free-flowing life-blood of British industry. It would enthrone the rule of bureaucrats. It would tend to stereotype processes, to stand in the way of new inventions, to arrest mechanical and managerial improvement. It would paralyse individual initiative and enterprise, and, sooner or later—and sooner rather than later—it would, in my judgment, impoverish the community. Therefore, I will give a very plain answer to the question put to me whether I am in favour of the nationalization of industry. That answer is in the negative.

The Liberal View

I will summarize in a few sentences what the Liberal view of these matters is. In the first place, let us keep our markets open and cease to meddle with prices. Withstand Protection in any form, however innocent it may appear, however insidious, however meagre may be the instalment; let us withstand it at the beginning. Next, and to this I attach the highest importance, let us fulfil a duty which we have short-sightedly, and, indeed, shamefully, neglected in the past as a nation, the duty of fostering and organizing as a function of the State scientific and technical research in all the branches of industry. It is our deficiency in that respect, far more than in any other, that has led to our failure in this market and that to outstrip our rivals and even to hold our own. Further, we must keep a vigilant watch upon, and be always ready to take both preventive and punitive action against, all illegitimate trusts and profiteering. And lastly, which is perhaps most urgent of all, let us associate labour with the management of industry, so as to secure for it a living voice in the conduct of the adventure to which it is committed and a fair apportionment of the fruits. I believe a policy on these lines is not only in the strictest harmony with Liberal tradition in the past, with Liberal principle as we understand it and grasp it, but with the best and enduring interests of the community at large.

V

Record of the Coalition Government

I HAVE endeavoured in preceding speeches step by step to develop the application of Liberal principles to some of our present-day problems. I have dealt with the new economic conditions under which the world is now compelled to live, and have tried to show how they affect our national finance, and how they affect our industrial organization. I have tried also to show the natural development, as it seems to me, upon Liberal lines, of our constitutional system, securing more effective and complete representation in the House of Commons, a reformed Second Chamber, the devolution of local and national affairs, thereby, as we hope and believe, setting free the Imperial Parliament for Imperial duties, and the consolidation of the Empire as a whole. I shall go on in the course of the next week to deal with Free Trade, Ireland, and the international situation arising from the peace.

Now, by way of a pause or interlude in the exposition of Liberal principles and Liberal policy, I wish to take the opportunity of saying a few words to you on matters perhaps not of the same transcendent importance, but which you ought to keep in mind and have in view when you are considering how you should record your votes. I have spoken more than once of the past record of the Liberal Party. I have cited—to show that the old Liberal spirit is not dead, that

the old Liberal creed is still fertile and fruit-bearing—I have cited some of the things which were done during the time when I was Prime Minister, immediately before the war : such measures as the establishment of old age pensions; our system of national insurance; the introduction, for the first time on the Statute Book in this country, of the principle of the minimum wage in the Trade Boards and Coal Mines Acts; and last, but by no means least, the recognition, the statutory recognition, of the principle of local control in the Scottish Temperance Act.

Let me say here parenthetically that I have always held to the view, and have tried to carry it into effect, that in dealing with the liquor traffic there is only one safe and expedient policy. That is not—and I don't know what my Labour opponent will say about this—to attempt State ownership and State management, from which I believe no good results would follow, but to leave to the people of each locality complete and unfettered discretion to carry out their own wishes. That is the principle that is embodied in the Scottish Temperance Act, and this year you are going to have the opportunity for the first time in your history—and I have no doubt you will avail yourselves of it in a wise and prudent spirit—of determining whether and upon what terms the traffic shall be carried on within your communal limits. I desired to see that principle extended to England and Wales. I tried to accomplish it in the first years of my own Government, but our attempts were frustrated by the action of the House of Lords, which had not then had its wings clipped, as it had a few years later by the Parliament Act; and so far as progress is concerned in that direction, England lags behind Scotland, and has a lot of leeway to make up.

Improper Claims

But I see I am reproached with dwelling so much and so frequently upon the achievements of the Liberal Party and at the same time ignoring or minimizing what has been done by the Coalition Government; so perhaps a few words will not be wasted if we consider what they have actually done. That some very useful measures have been passed during the last two or three years none would deny; but the two most important of them—by far the two most important—transcending in importance the whole of the others put together—the Franchise Act and the two Education Acts for England and Scotland, were the work, not of this coupon Parliament, but the work of the last Parliament. They were carried during the war. They were supported and vigilantly assisted and amended by the free Liberal Party. There are some fictions which it takes a very long time to kill, as you know and as I know. Let me remind you just now—and there may be some in this room not aware of it—that this great extension of the franchise was due to the report of a conference summoned by the Speaker at my invitation when I was still a Minister of the Crown. With regard to the Education Acts, they were comprehensive—I think very valuable—measures, and they received from us, from me in particular with regard to the English Act, all the support I could possibly give them.

A Word on Education

Let me say a word about the matter of Education. There is no form of expenditure upon which it would be more foolish to economize, still more to do anything in the nature of drastic retrenchment, than in our expenditure upon national education. Unlike so much of the money we spend and waste, it is a remunerative

investment and the interest you receive upon it is paid at a growing rate, for you get instead of an uneducated, and therefore industrially and socially inefficient population, you get every few years, every generation, a population clad for the battle of life with the most modern armour which human ingenuity and skill can provide. I have always welcomed the compulsory extension of the number of years that our children are to remain at school. We have too often sent away our children from school just when they were beginning to get the benefits of their education. They go away into factories and mills and often, still worse, into what are called blind-alley occupations. What they have learned they speedily forget, and after a few years a large part, at any rate, of the time and money expended upon their education has been practically thrown into the gutter. I am therefore and always have been in favour of extending the age that our children must remain at school. I am glad to say under these Acts, that is going to be the policy of the future. But I want to put in a word of caution in a matter which I don't think is sufficiently regarded even by some of those who profess to be and who are honestly devoted to education. Compulsory attendance at school is not the same thing as compulsory education. You may send a child to school, keep it at school, prevent it from staying at home or going into business, but you may, all the same, be wasting your time and money. It is of the first importance that if you extend, as you very properly do, the number of years during which a child has to remain at school, you shall at the same time provide that proper instruction is being given to it during that enlarged term of years for the purposes of its after-school life. It must not stand still, it must not go on in a barrel-organ routine, with the same set of exercises and lessons. It must have

new light, new intellectual food fitted for the requirements of the career which lies before each child. Do not mistake compulsory attendance for a panacea. It is not a panacea. Its value depends upon the way in which the extra time is spent by the child while in school.

Reforms on Paper

These are measures which were passed in the late Parliament, but now if you come to examine the actual output of this year—for this House of Commons has lasted only about the best part of a year—the crop is by no means striking, either in quantity or in quality. What is the harvest that has been reaped? First and foremost there is the Housing Act. What are we to say about the Housing Act? It is a most excellent piece of paper, and it contains a number of almost ideally beneficent paper provisions. But what has been its practical effect in solving the problem which, next to the problem of Education, is, perhaps, the most important of all our social difficulties, in solving the problem of providing homes with adequate and decent accommodation for the people of this country? We have been told repeatedly on high authority that to overtake arrears and to make the housing accommodation of these islands equal or nearly equal to its purpose, you want during the next five years a million or nearly a million houses. In Scotland you are pretty much in the same case as we are in England, where, according to the latest official account, some 200 houses have been actually built. Now an Act of Parliament, however admirable its provisions, which has no legs to carry it or proceeds at that slothful pace, is an Act apparently better adapted to the millennium than the present work-a-day world. It is no good putting upon the Statute Book at Westminster even the most admirably conceived provisions for the hous-

ing of the people, unless by your departmental and administrative execution of the law you are able to put these provisions promptly and effectively into execution.

What is the next item on the programme? They have created two new Ministries—a Ministry of Health and a Ministry of Transport. When you come to take off their masks and strip them of their uniforms, you will find they are practically two old Ministries with enlarged staffs, and, I am afraid I must add, run at very much greater cost to the taxpayers. The Ministry of Health has taken over a number of the functions which had been hitherto exercised by the Local Government Board, and the Ministry of Transport a number of functions hitherto exercised by the Board of Trade, but so far there is no visible result of that administrative transformation.

A Defective Land Bill

There is another measure of more importance than any of these, the Land Acquisition Bill—a very desirable thing, a Bill to facilitate the acquisition of land for public purposes. But, gentlemen, the history of that Bill—I commend it to your attention as an illustration of the importance of having in the House of Commons a Free Liberal Party which will be able to give not merely criticism and suggestion, but by its numbers and by its authority to make that criticism effective and those suggestions fruitful. What happened in the case of this Bill? It had one vital—I ought rather to say not vital but fatal—defect. It is all very well to increase facilities, to improve machinery for acquiring land, but the important thing to the ratepayer and taxpayer is the price you have got to pay for it, if you want to build new schools or establish a new system of drainage, or to lay out a new public park, or for any public purpose require land which is under private ownership. What

are you to pay for it? We know what happens now. You pay under compulsory purchase a sum, as a rule, far in excess of what the ordinary purchaser would pay the ordinary vendor under ordinary contract; and my Right Hon. friend Sir Donald Maclean, who is so successfully leading a small phalanx, small in numbers but determined in courage, in the House of Commons, proposed that in future, under this Bill, land should be acquired at the same valuation at which it pays rates and taxes. A very simple proposition, you would think, of elementary justice; for if the land, when it comes to be acquired by the community is worth as much, or very often, as the arbiter holds it to be, many times as much as the valuation upon the basis of which it has been contributing to the public burdens, it points to an unevenness and indeed an inequity in the arrangement which is in the highest degree offensive to the rules of justice and injurious to the community. Land must be valued for all these purposes on the same footing. That is the demand which the Liberal Party has made for generations past—that the land should be taxed and rated on the same basis as it is bought when the community requires it for its own purposes.

Under the system of Coalition in which we live we are told that we have the advantage of both parties: we have the wisdom and prudence and caution of the Tories, and the impulse, verve and go of the Liberals. As a matter of fact, it is as if you had two forces which are not parallel but are working against one another, and the result is little or nothing—nothing, I mean, that is effective for the purposes you have in view. Under this Coalition, which, we were told also, would be effectually dominated by Liberal ideas, that simple proposal of Sir Donald Maclean was rejected by a large majority, and the Land Acquisition Act was passed without that most necessary and fundamental reform being made in the law.

Incapacity and Muddle

I shall mention only two other matters that call for any notice. What is the Alien Restriction Bill? That was a measure, as you know, for safeguarding (as they would say) the residence of aliens in this country. But the House of Commons went a great deal farther than the Government—I will do the Government that justice—in the direction of restriction. If it had not been for the House of Lords—never did I think I should see the day when I should bless Providence for giving us a House of Lords as an asylum of liberty, the last refuge of the progressive spirit—but so it was, the House of Lords would not stomach this reactionary measure. It disembowelled it and sent it back to the House of Commons, and I am glad to say it was passed into law in a comparatively innocuous form. No thanks to the Coalition Government, and still less thanks to the Coalition House of Commons.

As for the chaotic series of experiments by which the Government, in the House, attempted to deal with the question of coal, you know the history and have suffered from the consequences to a degree which makes it quite unnecessary for me to go into the matter. Six shillings up, and ten down, and the 10s. down only in respect of household coal, with the natural result that, only a few weeks ago, we were within measurable distance of a coal famine; for, if you can get 10s. more for industrial coal than for household coal, coal-owners and mine-owners would be superior to the failings and frailties of our human nature if they did not prefer the one market to the other. Then there was the attempt, though it was withdrawn almost as soon as it was made, to deal with the limitation of owners' profits. The whole thing is a muddle, which remains as a masterpiece and monument of legislative incapacity.

VI

Women's Questions

THAT women have come in such numbers to hear what I have to say is not only an indication of their keen political interest, but, so far as I personally am concerned, is perhaps an act of political generosity; for undoubtedly, as you will remember, there was a time, now a very remote time, in which I did not see my way to join those who were in favour of giving women the vote. I became satisfied by the new experience which we gained in the course of that unprecedented test and trial of our national and corporate life, the great war, that it was impossible, consistently either with justice or with public interest, any longer to refuse women a voice in the problems of reconstruction which are now in front of us. Then, as I said, and always said—even in what you might consider my unregenerate days—if you give the vote to women, if you once realize and recognize the distinction of sex as a distinction which ought not to prevail, you must not only remove it but obliterate it. In other words, if you give the vote to women you have no logical or equitable defence against giving it to them with the same fullness and upon the same terms, and subject in all respects to the same conditions, as you give it to men. I am very strongly of opinion that the present temporizing expedient—it is not defended as anything more even by those who put it forward—in which women do not attain to the full rights of enfranchise-

ment until they have reached a later age than men, should come to an end, and women and men should attain the franchise at the same time, and upon the same terms, and with the same fullness.

But, ladies, it will, I think, be paying a very poor compliment to those who have been so recently enfranchised if I were to address them to-day as though they were a separate section of the community—as it were in a water-tight compartment of their own; and while, as I shall show presently, there are political questions, political changes, which affect women especially and distinctly, yet I wish to impress upon you at the outset, and throughout, that you ought to regard yourselves as responsible not for the special interests of your own sex, but for the interests of the community as a whole. It is, as I have tried to point out during the last week, one of the root principles of Liberalism that it looks always not to sectional but to general interests.

Effects of High Prices

And now I wish particularly to draw your attention to one or two aspects of our existing national situation in which women ought not to act separately, although at the same time they ought to act, having special regard to those surroundings of our social and industrial life with which they are brought most frequently into contact and of which they have first-hand knowledge. Let me give you an illustration of what I mean. There is no more serious political and social danger—I will put it as high as that—at the present time than the enormous enhancement in the whole range of prices of the commodities which we are consuming. In the old days, in the days of Protection, before—to the everlasting benefit of this country—we adopted our system

of Free Trade, the prices of commodities, of bread, meat, clothing, were artificially raised by bad laws passed in the interests of particular classes of producers. But since Free Trade, now something like seventy years ago, became the law of the land we have on the whole enjoyed the benefit, not only of abundant supplies at home and from all over the earth, both of food and of raw material, but of a low range of prices. At the present day, as you know, these things have ceased to exist. Prices now as compared with what they were at the outbreak of the war are from 100 to 200 per cent. higher, and the ordinary commodities which enter into the daily consumption of every household are up two and sometimes three times of that figure. That affects us all, and you particularly in your own home life, and affects especially those of you who are mothers with children. It is not only in regard to food, but in regard to everything that this enhancement of prices has deleterious and far-reaching effects.

Let me point out another department of our social life in which you are interested and where the effect becomes more apparent and most disastrous. We want, perhaps more than anything else in the material sphere, new houses, better houses, a large additional supply of houses; because, however cheap and abundant food or clothing may be, you cannot have a home in the real and full sense of the term, and it is not a habitation for a family in which they may enjoy comfort, health, recreation and homely pleasures unless you can get a house at a reasonable rent. The advance in the range of prices has had its effect, among other things, upon building material; and one of the great obstacles at this moment to an adequate supply of houses to meet the growing necessities of the nation—our growing necessities judged by the higher standards

which, I am glad to say, we are all willing to apply—one of the main obstacles is the increase in this item of cost.

The Cause of High Prices

These are facts familiar to you all. But to what are they due? To what is this enhancement in the range of prices due? It is due to profligate expenditure—profligate national expenditure. It is due to the prodigious and unprecedented rate at which during the last few years we have been piling up our national indebtedness. As you know, we are now spending as a nation something between a million and a million and a half a day in excess of our daily revenue. A considerable amount of that additional daily charge is due to the fact that we have to make provision for vast Government borrowings. The practical conclusion which I ask you as electors to consider is this: the first step, the urgent and necessary step in the way of improvement is to reduce our national indebtedness, to scrutinize with vigilance and with care every item of our national expenditure, to bring that expenditure first to the level with and then below the level of our income. It is in that way, and that way only, that you will make the resources of the country available, not for wasteful and destructive expenditure, but for the manufacture and import of commodities which will lower the whole range of prices, will enable more houses to be built at a reasonable rate, and will give cheap food and clothing for yourselves and for your children.

Quack Remedies

Well, there are all sorts of suggestions put forward by which we may attain to a lower level of prices, and therefore to a higher level of comfort in the social life. Let me contrast for a moment the remedies which

are suggested by what I would call the reactionary side of the Coalition, and the remedies which commend themselves to the Liberal Party as in harmony with Liberal tradition and Liberal principles. The reactionary remedy—a very plausible one, but a most dangerous one—is to go back to protective duties. There was a Bill introduced in the last session—we don't know exactly what its future prospects are now—it goes by the name of the Anti-Dumping Bill—which under the guise of preventing what is called the dumping of foreign commodities in the home market would raise the price of the articles, many of them necessary articles, which come within its scope. Our forefathers tried Protection; it was the law of this country for the best part of fifty years. Many of you who have read history, as most of you have, know that the condition of things in the 'thirties and 'forties of the last century was more deplorable in the general range of life of the average British home than anything which we have subsequently experienced.

What was the cause of the change, of the great rise in wages and in profits, in general comfort and well-being? It was because our forefathers—knowing that in an island like this we cannot produce all the things that we need—had the wisdom, despite the clamour of the landed interest and of the other powerful and privileged interests of those days, to get rid of our import duties, to open our ports and allow a free influx from all the corners of the earth of those things which they could produce better and more cheaply than ourselves, and for which we could give in exchange the things in the production of which we have a natural advantage. This is the history and explanation of the enormous development of our trade in what is called the Victorian era, and of the very great rise—for such it undoubtedly was—in the general standard

of comfort among our people. Don't go back to those quack remedies; don't fancy that, by erecting fences round this industry and that to protect it from the blasts of foreign competition, you will be doing anything to remedy the evils from which we have suffered. On the contrary, the creed of Liberalism here is, as it has always been, to open the door and let in freely, without restriction and without monopoly, commodities of which we are in need, and give in exchange for them those of which we have a superfluity; in that way not only ourselves but the whole world benefits.

Let me add, there never was a time when the economic interdependence of the world was more intimate, and I might say more intricate, than it is to-day. Look at Russia. I am not going to-day into the many difficult political questions which arise with regard to the future of Russia, except to reassert once more what I firmly believe, namely, that the less we interfere in the domestic and internal affairs of Russia the better it will be both for Russia and for us. But look at Russia. I see there are now symptoms of a wiser policy—a policy of relaxation and removal of restrictions; but if you are to go on blockading her and putting an embargo upon her exports, not only do you retard the possible and probable development of the vast material and industrial resources of that great Empire, but you are doing an injury to yourselves. You want the things they produce. It is in the establishment of free unrestricted commercial intercourse between Russia and ourselves and the rest of the world that the first step will be taken upon the road—I hope it will not be too long a road to travel—by which Russia will become once more part of the international polity of Europe, freely exchanging with us and we freely exchanging with them all the things we respectively require.

How to Stop Borrowing

We believe that additional revenue undoubtedly will be required to put an end to this system of borrowing, which in course of time, as that system comes to an end, will reduce the level of prices. Extra taxation will undoubtedly be required. In the Liberal view taxation ought not to be—certainly to no greater extent than it is at present—a tax upon goods, the commodities that the people consume. It ought to be a tax upon people's wealth in proportion to their ability to pay. We are hoping to get something by due and equitable taxation of land value. We can get something—I hope and believe a great deal—by tapping the great reservoir of hitherto untaxed wealth which has been accumulated largely from the special opportunities, I may call them the accidents, of the war. It is quite possible—and I don't exclude the possibility or even the hope—that we may be even able to find a reservoir of resources for the redemption of debt and the ultimate reduction of taxation in dealing with accumulated wealth as a whole. It is in these ways and on these lines that Liberal policy and Liberal statesmanship should look for the bringing about of that balance between daily revenue and daily expenditure which is the first condition of an improved economic life.

Sex Equality

Now let me say a word or two about your own special interest. I said at the outset that as between men and women the franchise should be equal; but the vote after all—though a most important and most responsible privilege—is one you can only exercise at election times. There are other matters in regard to your sex where, in my judgment, the law at present presses unevenly and even harshly upon women. First

of all—and this is no new opinion of mine; I held it quite as strongly before I was convinced of the expediency of female enfranchisement as I hold it to-day—there ought to be a complete opening, not only in law but in practice, of all callings, professions, businesses, and trades, including our Civil Service, to women upon the same terms as men. You are not, at least I am not, asking any special privileges or favours, only for equality of treatment and of opportunity. In the free competition which must always take place within the area of any particular profession or trade, if a woman, or women as a class, are found not to be specially qualified, or as well qualified as men, nobody, even the most ardent advocate, would pretend that they ought to get preferential treatment. This is not what you are asking for, or what any Liberal is asking for. But what we ask for is the Open Door—free entrance into the arena, and then free competition within it.

Next, I think no restriction of any kind should be imposed upon the entrance of women to public bodies and positions of public trust. Now that we have got ladies in Parliament it seems more than absurd that there should be any difficulty in their attaining places upon local authorities, upon the Bench of Justices, and if necessary upon the Judicial Bench itself. There again we are not asking that men should be handicapped compared with you. Men are never likely to be, but we are asking, and I think fairly and justly, that you should not be inequitably handicapped as compared with them. I may perhaps remind you—because people's memories are very short—that when I was Home Secretary—it is now a great many years ago, nearly thirty years ago—I for the first time appointed women inspectors of factories. I remember the outcry which came from my subordinates in the Home Office when I made that drastic and revolutionary pro-

posal. They said it would be a shocking thing for the women inspectors to be out late at night; it would be a dangerous thing for women with skirts and petticoats to go about among machinery; it was contrary to all precedent, and a new departure which would have far-reaching consequences; all the good old Tory arguments which have been used in opposition to every measure advanced in every sphere of our social and political life since Toryism began. That which seemed such a revolutionary change to the conventional official mind in those days has since then been extended and developed in every possible direction; and I need not say that of the whole number of people employed in this country in our factories and workshops, the majority belong to your sex, and it has had the most beneficial results. For women obviously can communicate with women with a freedom and a fullness that they cannot communicate with men; and these women inspectors in the course of their beneficent activities have unearthed and brought to light, and thereby corrected, hundreds and even thousands of little abuses from which female operatives were suffering. I am perfectly sure, and it is a strictly relevant argument, that the admission of women to a much wider range of public and municipal employment, including, as I have already said, the Civil Service, will be attended with equally good results, both for their own sex and to the good of the community as a whole.

Lastly, there is one matter which is perhaps of even greater importance, and in which I know working women of the country feel the greatest interest; and that is the conditions of employment. I venture to lay down as a sound rule, and one certainly in accordance with Liberal principles, in regard to employment, that the same conditions and the same occupational rates, whether it be in public or private employment,

should be given entirely irrespective of sex. There are some things in industry which obviously women can do better than men or which men cannot do at all; while there are things which men can do better than women, or which women cannot do at all. That will always be the case. These are natural distinctions which cannot be obliterated and which it is impossible to ignore, but where you have employment in which men and women can equally take their part, in my judgment it is absolutely impossible to justify discrimination as regards employment and rates of wages in favour of one sex or the other.

VII

Ireland

I HAVE reserved hitherto a topic upon which I want to say a few words to-night, for it is one of the highest urgency and importance, namely, our relations to Ireland. Now, I have been a Home Ruler ever since I entered public life. I was elected to the House of Commons by a Scottish constituency as far back as the year 1886, the year when Mr. Gladstone's first Home Rule Bill was rejected. I stood as a Home Ruler then, and at every subsequent election I stood, as I stand to-day, as a Home Ruler. In 1887 I had the honour at a meeting of the National Liberal Federation in Nottingham at which Mr. Gladstone was present of moving a resolution unanimously carried by that great body pledging the Liberal Party to Home Rule. And five years later when Mr. Gladstone formed his last Government, and did me the honour to include me in his Cabinet as Home Secretary, my name appeared on the back of the Home Rule Bill of that year. You will see from that simple recital that my association with the cause has been of very long standing. It is very desirable to refresh our memories in regard to these things, because I find a great deal of misapprehension and even ignorance prevails.

Home Rule on the Statute Book

The Liberal Party were then ten years out of office. When they came back in 1905 they were disabled—the

fiscal question then being the dominating question of the hour—they were disabled during that Parliament from dealing comprehensively with the Irish difficulty. As soon as that was out of the way, they made Home Rule the first plank in their platform, and we went through two General Elections in the year 1910, as some of you will remember, in order to obtain from the country authority to remove what was then a standing and insuperable obstacle to advanced Liberal legislation, namely, the overriding power of the House of Lords. It was a very severe and hardly fought contest, involving, as I have reminded you, two General Elections in the course of one year. We fought it through and we won, and by the passing of the Parliament Act in 1911 the House of Commons became effectively supreme. I remember saying in the month of May, 1911: "I am tolerably certain we could get through the Parliament Bill to-morrow without the least difficulty, if we should agree that it should not apply to Home Rule." It was because of the strenuous and determined opposition of the Tory Party, the so-called Unionist Party, to Home Rule that they put up such a fight against the Parliament Act. However, that Act was passed, and under its operation, and notwithstanding the opposition of the House of Lords, I introduced the third Home Rule Bill, which, after it had gone through three sessions, was finally placed on the Statute Book—where it now is—in the autumn of 1914. That is, so far as I am concerned, the history of my past dealings with the matter.

That Bill was accepted by the Nationalist Party. They were determined—as I am certain, under the guidance of that wise, far-sighted, courageous statesman, the late Mr. John Redmond—to take it as a satisfaction of their national claim. From one quarter, and one quarter only, in Ireland did resistance proceed—

namely, from a section, and only a section, of the Province of Ulster. And as we were determined, and rightly determined, that we would not install the reign of Home Rule in Ireland by force and violence or by any form of coercion, we were engaged, when the war broke out, by means of an Amending Bill, in endeavouring to introduce provisions into the main Bill which would meet all the fair scruples and objections of the Ulster minority.

The National Irish Convention

Now, what has happened since? It was, of course, impossible during the war to make effective progress in Parliament with such a matter. In the meantime in Ireland there was growing up, for various reasons which it is not necessary to enter into, on the flank of the old constitutional National Party led by Mr. Redmond, a revolutionary party with wider and ulterior purposes, which attracted to itself many of the young and irresponsible spirits of the country, and which now goes, as you all know, by the name of Sinn Féin. It was the hot-heads of that new party that provoked the lamentable Easter rising in Dublin of 1916. And we made then, although very much absorbed at the time in the transaction of the war, which demanded all our interests and all our energies, we made in the summer and the autumn of 1916 an attempt, a most whole-hearted and sincere attempt, to arrive at a settlement of the Ulster question upon the basis of a partial, though, as we hoped, only temporary, exclusion of some parts of that province. That attempt broke down. I don't say who was to blame, but it broke down. The next stage, and a very hopeful stage it appeared to be, in the progress of the matter was one to which I gave my most hearty and sincere assent—

namely, the assembling of a National Irish Convention, which sat for some months at the end of 1917 and the beginning of 1918. It was a very representative body. Unfortunately, the Sinn Feiners refused to take part, but with that exception it represented, and I think fairly, all that was best in all the different elements of Irish life. They sat there—a most hopeful sign and an unprecedented event in the history of modern Ireland—they sat there in the same room and at the same table for weeks and for months, making an honest attempt to come to an agreement as to the future government of their country. It is quite true they did not come to an entire agreement, but they advanced a very long way on the road, and owing to the statesmanlike attitude of two or three men—of Mr. Redmond for one, and of Lord Midleton, who represented the Southern Unionists of Ireland—many difficulties which up till then seemed almost insuperable were cleared out of the way, the clouds lifted from the horizon, and we seemed to be within, at any rate, a measurable distance of a prospective settlement.

Conscription Intervenes

Now here, as so often in the history of the relations between these two islands, comes in the tragedy. The Convention made its report in the early spring of 1918, and that moment was chosen, most unfortunately chosen, most short-sightedly chosen, by the Government for the introduction of a Military Service Bill which could be extended to Ireland. Why did we not apply compulsion to Ireland before? We had applied it to Great Britain. Why not to Ireland? I am speaking of the first Coalition Government, of which I was the head, and which contained a number of Unionist members. It was not because we did not think it

fair or just that the Irish should have the same burdens as ourselves, but because we were satisfied that, from the temper and disposition and the prepossession, or, if you like, the prejudices of the Irish people, it was not worth while; in other words, that the military results and the number of recruits you would get for the purpose of feeding our armies in the field were not sufficiently valuable to justify the ill-feeling, resistance and animosity you would arouse in that country. We were unanimous on that point, and it seemed to me, and seems to me still, an act of unstatesmanlike short-sightedness that this particular moment was chosen, for the first time, for the application of compulsory military service to Ireland.

Let me recall two or three sentences which I spoke at the time, every word of which has been justified by events. I was speaking in the House of Commons on April 9, 1918. I said this: "You have in Ireland a revolutionary movement and a constitutional movement. The revolutionary movement has not been stamped out yet, but all the tendency of recent evidence from Ireland shows that it is waning rather than waxing." That was perfectly true. What was the evidence I gave? We had had three successive by-elections in Ireland in which the revolutionary party had been defeated by the constitutional party. "Would it not," I went on to say, "be an act of terrible short-sightedness under such conditions, when the Irish Convention has concluded its labours, and you are about to ask the consent of Parliament to a generous and far-reaching measure of self-government, would it not be an act of terrible short-sightedness to precede or accompany it by imposing Conscription upon Ireland, which, rightly or wrongly, as we know, is obnoxious to a very large number of the Irish people? Will the gain you get from increased military efficiency by whatever

number of recruits are enlisted in Ireland compensate you against the risks and hazards you are exposing yourselves to? ”

Military Rule Instead of Home Rule

Every word of that has proved only too true. Only three days later in the same month of April, 1918, I urged that, at any rate, if they were to go on with the measure—which I begged them to drop—the time between the passing of the Bill and the actual process of applying it to Ireland, which would be possibly some weeks or months, should be occupied in passing through Parliament a generous measure of self-government for Ireland. And Parliament agreed. The Chief Secretary, Mr. Duke, assured the House that a Bill for self-government would be presented without delay and prosecuted with all dispatch. That was in April, 1918, and Mr. Bonar Law stated that the Government would try to carry through the Bill for Irish self-government simultaneously with the Bill for compulsory service. What happened? This is very relevant to the actual situation of the hour. What happened? The Bill for compulsory service was carried, though from that day to this it has been a dead letter. There has never been any attempt made to execute it in Ireland. They have never had the courage—I will not call it courage—they have never had the foolhardiness to put their measure of compulsory service in operation.

What about the other part of the bargain, this Parliamentary bargain that, side by side and so far as possible simultaneously with the application of military service to Ireland, they would pass their readjusted and reformed Home Rule Bill? Well, as you know, nothing was done. The whole of 1918 was allowed

to pass, the whole of 1919 was allowed to pass, until we came to December. For twenty months after compulsory service had been upon the Statute Book, had been hanging over Ireland, the promise of Home Rule was delayed and not fulfilled. That is the history of the matter. What is its effect, the effect of that treatment upon Irish opinion and Irish feeling? Exactly what you might have expected and exactly what I predicted. The effect was this, that Sinn Fein, which was on the down grade, which was losing election after election during the months which preceded the report of the Commission, Sinn Fein raised its head, and a disappointed and, as they said, befooled Irish people deserted the constitutional party and rallied round the flag of the revolutionary party. Military rule—as if there were not enough trouble already—was introduced, with a soldier put at the head of the Government, troops called into the country in enormous numbers. Military rule in some of its most fantastic and irritating and exasperating forms became dominant in Ireland. When the General Election of December took place the year before last the constitutional party was swept out of existence at the poll, and the guidance, the steersmanship, if I may so call it, of the national cause passed largely, very largely, into revolutionary hands. That is a plain narrative of the facts, for every item in which it is possible to give chapter and verse, and which I have watched at first hand with my own eyes.

Consequences of Delay

And now what do you see? They allowed the golden opportunity to slip, and the Government is now trying, and I am glad they are trying, late in the day though it is, to redeem in some fashion the

promise which ought to have been performed two years ago. Yes, but with all the difference in the world. The atmosphere of Ireland in 1918 was totally different from its atmosphere in 1920. I am not referring merely to the growth—the lamentable and reprehensible growth—of murder and of outrage. Those of us who remember the Land League days can recall a similar state of things; but you have a more serious symptom revived to-day, which was always in days gone by a symptom of Irish crime. You have this, that the opinion of law-abiding people—people who are not themselves disposed in any way to transgress the law, still less to be guilty of criminal acts—the opinion and the sympathy of the law-abiding people is not with those who are trying to carry out and execute the law, but is very largely, tacitly at any rate, with those who violate it. That is the most serious position a country could be in from the point of view of social order—a seriousness not to be measured by a catalogue, terrible and formidable indeed as that is, of crimes and acts of violence committed, but by the readiness of the population to look upon the law as a thing in the enforcement of which they are interested only in so far as it suits their own part. There is a totally different atmosphere from what you had two years ago, and no matter what measure you introduce, if it is inspired by the highest and most far-seeing statesmanship, it is handicapped at the start with a relatively poor chance.

Nevertheless, we must persevere, and in my judgment we should persevere without delay in that which is the only effectual means of getting at the root of all this trouble, in completing and rendering practicable and setting on its legs a generous system of Irish self-government. The Chairman has spoken of the measure which has not been introduced, but of which an out-

line was given by the Prime Minister just before Parliament rose. I certainly reserve my judgment upon it until I see it in the shape of a Bill and am able to examine and analyse its provisions, but I will not—I don't think any responsible man ought—I will not refuse to consider, not only dispassionately, but with every desire to broaden and strengthen and render more effective for its purpose, any proposal put forward in good faith and with the object of securing Irish self-government. But I will be more specific than that. I think I am bound to be, in view of my long association with this particular matter. I am satisfied that for a permanent settlement, not for some patchwork expedient which won't stand the stress of political weather and the strain of working experience, we must proceed upon the most generous lines.

Dominion Home Rule

I am myself—I speak only for myself—I am myself quite prepared to run such risks as there are in giving the new Irish Parliament control over their customs and excise, in other words to put them on the same footing in that respect as all our great self-governing Dominions. Of course, there is a distinction which for some purposes is important—the geographical contiguity of Ireland to our own shores. I am satisfied myself that the Irish, who are a very shrewd and businesslike people, if this power is entrusted to them, will not in the long run abuse it; at any rate, not against us or against any section of their own inhabitants. Because, if they do, they will be impoverishing themselves to a far greater extent than they will be injuring us or their fellow-citizens. It is to their own interest to have the freest and most unrestricted intercourse between the two islands. We have the best

market for their surplus produce, and they want from us what we can send them more cheaply, more freely and more easily than they can get it from any other quarter in the world. Nor am I seriously alarmed at the apprehension, which is quite honestly entertained in some quarters, that the majority would adopt, by means of excise or income tax, unfair treatment to the minority. In fact, there is no place in the world where the different parts of the country, wide as is their diversity in religion and some other matters, are so interdependent as in this particular island; and is it to be supposed that they will make anything in the nature of a predatory system of fiscal injustice to operate against Ulster? To do so is to credit them with the intelligence, or the lack of intelligence, of lunatics. Ulster is the great source, and has been now for more than a century, of Irish prosperity and wealth, and anything which tended to drive away either capital or labour from Ulster, or which would hamper or penalize the exercise of that magnificent system which the Ulster people have built up by their energy and skill, would be just as fatal, and indeed more fatal, to the rest of Ireland than it would be to Ulster herself.

The Unity of Ireland

There is another matter which we might always keep in view because it lies at the root of a permanent as distinguished from a temporary settlement of Ireland. It cannot be better expressed than in the language used by Mr. John Redmond, who was a great statesman as well as a great patriot, when he was speaking, I think, in Limerick in 1913. He said "Ireland is a unit from north to south and from east to west—a unit." And here is the statesmanship of the man—"It is true that within the bosom of a nation

there is room for many local diversities of treatment, government and administration; but a unit Ireland is and Ireland must remain." There in a nutshell lies what I call the statesmanship of the whole question. A unit Ireland is, and there is no Irishman who in his heart of hearts does not agree. On the other hand, it is a unit of such a kind, partly from historical and partly from economic reasons, that, as Mr. Redmond says, there is room for many local diversities of treatment, government and administration. What is the practical application of that when you come to deal with the minority in Ulster? You must keep in view in your settlement the unity of Ireland as the governing purpose of the whole thing. At the same time you must not be afraid for the sake of pedantic logical symmetry or anything of that kind to allow a very wide elasticity and diversity in regard to particular areas or particular interests. I am sanguine enough to believe—many and excessive as are the disappointments with which our attempts to solve the Irish difficulties are constantly met—I am sanguine still enough to believe that if that view of the case in its breadth and significance is duly and properly presented, not only to the people of Ireland as a whole, but to the minority in the South and to the people of North-East Ulster in the North, presented to them as it ought to be presented—not as representing the triumph of a majority over a minority, but as a means of accommodation by which without any sacrifice of religion or local custom, if you like, of prejudice and prepossession—without any sacrifice of that they may live side by side and contribute jointly to the prosperity and progress of the common country—I am sanguine enough to believe that you will find, not that you will need to coerce Ulster, but that in a very short time Ulster will see, Ulster Unionists will see, the great

bulk of the Nationalists of Ireland will see, it is on these lines and on these lines only they can all attain to real national prosperity and greatness.

An Illusory Danger

The growth of Sinn Fein—and I believe it will be in many respects a transient phenomenon, a phase and only a phase, in the development of Irish history—the growth and, for the moment, predominance of Sinn Fein, undoubtedly aggravates the difficulties of the case, and there are people who believe that the first act of an Irish Parliament, assembled under existing conditions, would be to proclaim something in the nature of an Irish Republic. I am not alarmed by that prospect. It is very easy to talk in a rhetorical way—they have a flag and the rest of it—but what does an Irish Republic mean in fact? It would mean the severance of Ireland not only from union with the United Kingdom of Great Britain, but her voluntary self-exclusion from the whole British Empire. What would she then become? A little isolated unit, cut off, and deliberately cut off by her own act, from all of those splendid associations—I won't speak merely of the traditions of the past, but those lucrative advantages of intercourse as member and partner in the common Imperial adventure which she at present enjoys. She would be belittling herself, going down the steps of the ladder, abdicating her share in the greatest partnership in the world, and taking her place amongst the smallest and least-considered of the political units to be found scattered about the face of the globe. Communities, like individuals—perhaps more than individuals—are guided by self-interest. What possible interest has Ireland—once she has got what she needs and what she ought to have, namely, the power of managing her own affairs on her own soil, according to her own wishes, by her own children, her

own sons and daughters—what possible interest has she in cutting herself adrift and abandoning her share in the greatest inheritance to be found amongst the nations of the world? It is a danger of an illusory nature, a danger which I am quite prepared to hazard in the attempt that we are, as I hope, to make, a strong, determined and prompt attempt, to get rid of what is far the greatest reproach to our statesmanship. In these days, when the League of Nations has established, with the conjoint consent of the Great Powers of the world as the governing principle in all these matters, the power of self-determination, it is not only a reproach to us, but a violation, a flagrant violation, an indefensible violation of the principle to which we, like other great peoples, are committing ourselves.

Other Cases for Home Rule

I have given you a frank and free exposition of my views in regard to Ireland, and I will say only one word more which is cognate and relevant to the considerations which I have already put before you. The case of Ireland, in some respects, stands on its own footing. It is a most urgent case. It is a case where social order is seriously imperilled, periodically imperilled, by the continuance of a state of things which is actively obnoxious to the conscience and the sentiment of the great mass of the people. But, though the most urgent case, it is, as I have said, and repeat, not the only case in which we want to see the principle of self-determination more fully applied. We want it here in Scotland. We want it in Wales. I think we want it in England also. I have been a Scottish member all my political life, although I am an Englishman, and I have had the double experience which can fall only to a man who occupies that which at first sight appears to be an

apparently inconsistent position ; and I have seen the inconvenience of the present system in two ways. As an Englishman, I have resented Scottish members coming and voting on English questions of which they knew little or nothing, and as a Scottish member I have resented English members coming in and voting on Scottish questions, of which they knew even less. And surely the way not only of freedom but of common sense in these local matters—I prefer to call them National matters because they are matters which affect the whole—surely the common-sense way is to free the Imperial Parliament from the burden which it cannot intelligently discharge in any case, and could not adequately discharge, even if it had the intelligence, without neglecting its Imperial duties. Free it from that encumbrance, let us entrust it with the affairs which are common to us all, common to our dominions, and to a large extent common to the rest of Europe. Let us here at home within our own walls manage our own affairs. That is the creed of Liberalism. That is the line which we as Liberals think is the line of constitutional development, and if you think fit to do me the honour of returning me to Parliament that is the line I shall strenuously and assiduously seek to pursue.

VIII

Organization of Industry

A FLATTERING suggestion has been made comparing the Paisley contest with Mr. Gladstone's famous Midlothian campaign. Apart from the difference in stature between the two men, of which no one is more conscious than I am, there is one feature which distinguishes the two cases from one another. Mr. Gladstone was storming a Tory stronghold. Midlothian—I remember it well, I was then a young man—Midlothian was in those days regarded as an impregnable fortress of the party of reaction. Mr. Gladstone, already an old man, if age is to be counted by the calendar, with all the freshness and vitality of youth, came, saw and conquered. It is different in Paisley, for Paisley is as well-established a fortress of Liberalism as Midlothian ever was of the other faith; and I, therefore, as compared with my illustrious predecessor, have this initial advantage that I am not asking you to give up the creed which you have hitherto worshipped, but to remain true to a faith which is firmly rooted and established. Fidelity to an old cause and an old creed, provided it is a cause and a creed which has not lost its truth or its adaptability to the conditions under which we live, is quite as great and as rare a virtue as energy and enthusiasm. And, indeed, why should Paisley abandon its old political faith? What is there in recent history or in the conditions and circumstances of the present moment which should lead

you to relax your confidence and your energy in the path of Liberal progress?

We have had an invasion of Paisley by the horse, foot and artillery of the Labour Party, with two of their most distinguished leaders—Mr. Ramsay Macdonald and my old acquaintance, Mr. Smillie. Well, I have read what they had to say in the way either of criticism or of construction. Mr. Ramsay Macdonald told you that the Liberal Party had shown itself very remiss in two respects—in regard to Russia and in regard to Ireland. He did not produce chapter and verse, or, as the lawyers say, condescend to particulars, in support of either proposition.

Labour Criticisms Answered

My position in regard to Russia and the relations of this country to Russia is a very simple one. It is that we ought to abstain from all intervention in the internal affairs of that country. A great deal of money has been wasted, and, I am sorry to say, not a few lives, in futile endeavours—shortsighted, doomed from the first to disappointment and failure—to influence, according to our own ideas, or the ideas of some of us, the government of that country. There is no difference whatever of opinion between us and the Labour Party on that matter; but if it is said, as Mr. Macdonald rather suggests, that ours is a late conversion, I would say so far as I myself am personally concerned that for many months past I have never made, so far as my memory serves me, one speech in public in which I have not put in the forefront the urgent importance of abandoning these adventures and leaving Russia to herself.

As to Ireland, Mr. Macdonald has the courage to say that the Labour Party is the only party which has a clean record with regard to Ireland; a clean record

because it has no record at all. We are the people—the Liberal Party—who, under the inspiration and guidance in the first instance of Mr. Gladstone as far back as the year 1886, beyond perhaps the memory of many in this room, took up the cause of Home Rule for Ireland, suffered exclusion from power during the best part of a lifetime and a generation, and have never relaxed in our efforts to obtain for Ireland that which not only Ireland needs, but Great Britain needs for Ireland and for herself and the Empire, in order to clear our escutcheon from a blot.

I do not know what Mr. Macdonald means when he talks of the clean record of the Labour Party in this respect. If he comes here again perhaps he will turn his attention to one little incident which does affect his Party. I gave last night a detailed and, I believe, a perfectly dispassionate and accurate narrative of our dealings with Ireland during the last thirty years down to the present day. I pointed out that the critical moment within the last three or four years—the moment from which we may date the most at any rate of the troubles and confusions, and worse than confusions, which at present confront us in Ireland—was only two years ago, when the Irish Convention having sat and having come to a large measure at any rate of agreement, the Government was shortsighted enough, unstatesmanlike enough, to choose that particular hour for the imposition of compulsory military service. Well, the Government is a Coalition Government, and some of its most important offices were at that time held by important members of the Labour Party. What were they doing when the Government of which they were members threw away one of the greatest opportunities in history and spoiled the chance, or did their best to spoil the chance, of completing the gift of self-

government for Ireland by imposing this futile measure of military service? They remained in the Government. The measure for conscription was pushed forward. It received the Royal Assent; it is quite true it remained a dead letter, but it was put on the Statute Book, and there it remains. But where is the measure of Home Rule which was to be simultaneously passed through both Houses? It was never heard of for twenty months afterwards, and even now it has not yet assumed the form of a Parliamentary Bill; and the Labour members remained, not only up to the time of the General Election but afterwards, colleagues and members of the Government.

Labour's Bureaucratic Schemes

I pass from Mr. Macdonald to say a few words about my friend Mr. Smillie. Let us see what he has got to say. I have tried to find what his grounds of quarrel with me are. I have not only read but I have read between the lines. Mr. Smillie came for once to close quarters, or at any rate closer quarters than he and his friends generally do, with the concrete question of nationalization, particularly in its application to the mines. I have always said in this matter: do not let us deal in words and names and rhetorical generalities, let us deal with things, with facts, actual prosaic concrete details. It is astonishing what a clarifying effect it has on the political atmosphere, and Mr. Smillie—I hope I am not doing an injustice in saying it is for the first time—has told us what he proposes to do. I have described nationalization, when it is translated from the vocabulary of abstractions to the plain level ground of actual practice, as a method of subjecting a great industry, which no doubt in many of its methods is in urgent need of substantial improvement, to bureaucratic control; with the inevitable result

that, whatever advantages you may get in concentration and a variety of other ways, you would weaken and in time destroy that which has been the main-spring of the industries of this country, namely, the great advantage of free play and individual initiative and enterprise.

Mr. Smillie states that that is all moonshine, and that what he proposes is that when you have got rid of the coalowner the mines are going to be run by a joint committee composed on one side of miners or miners' representatives and on the other side of the representatives of the State who are to include a certain number of managers and engineers. The coalowners—a much abused class—have been, after all, the pioneers of a great industry, and they contain in their ranks some of the ablest, most far-sighted, most enterprising and most inventive of the whole of our capitalist class. If there are any miners here with a practical acquaintance with their trade they will know that I am saying nothing more or less than the truth when I say that, and I cannot imagine anything more suicidal than for an industry like this to bundle out neck and crop from any voice in its management or its development a class of men peculiarly capable, not only to give good advice, but to adventure upon those new methods of production and expansion that the mining trade like others most urgently needs. Take Mr. Smillie's scheme, and compare it with what already I have outlined. I agree that the miners ought to have a larger voice and responsibility in the management and control of the industry; but not to the exclusion of the owners and managers; and side by side with them there must be someone to represent an interest which is too often apt to be ignored, and which if you leave it to the miners and mineowners is almost certain to be neglected—the interests of the consumer, the interests of the State.

Mr. Smillie's is a bureaucratic scheme which excludes from the future conduct of the industry a large and most important element which ought to be there. Mine is a democratic scheme which associates all the interests concerned and at the same time gives to the State a position, which I think it ought to have, in the ultimate decision of these matters. I am prepared to submit to any intelligent body of electors the relative merits of these two plans from the point of view which is the only point of view which is relevant and which ought to concern us, namely, which is best in the interests of the trade and the community as a whole.

How to Get a Higher Standard of Living

Mr. Smillie says he wishes to have his scheme applied not only to the coal-mining industry but to all industries; and he desires this because he wishes to see a higher standard of living. So do I. So do all of us, certainly so does every Liberal. The question is: How are you going to secure it? What are the most practical means of securing it? I will tell you what we think. First of all, by sound finance; which means a reduction of profligate and extravagant expenditure, living within your means as a State just as much as individuals are prepared to do, the cessation of borrowing, and the imposition of wise and productive taxation. The second practical method is Free Trade in the fullest and widest sense, so that you may continue to enjoy here as you have enjoyed for seventy years past an unrestricted influx of the things that you need from all parts of the world, with the corresponding advantage of giving in exchange for them the surplus products of your own industries. The third method is a higher level of production. I am no thick and thin defender of many of the features of our industrial

system. I think the mere fact that during the last two or three years, when the war was still on, or even to a greater extent since the war has come to an end, we have been on the verge over and over again of vast industrial dislocations and strikes points to the necessity for reform. We have got into the habit, a most pernicious habit, when these things have reached a climax and are about to break forth with their full disastrous effect on the community at large, of rushing to the Government of the day and saying: "For Heaven's sake step in and bring those people to terms and avert the calamity of a strike." That is not a sane system of carrying on our industrial affairs. It means periodical and sporadic interference by the Government at the last moment, to patch up some tinkered compromise between the interests concerned, and that is the very worst thing for masters, men, and trade and the community at large. We want to get rid of it; but we shall never get rid of it, and we shall never attain to the high level of production which is wanting in our industrial interests until we see, as I hope we may see in the course of the next few years, the free development of industries based on true co-operation, on real co-partnership between employers and employed, safeguarded by State protection against the exploitation of the consumer by any particular group, either of employers or employed or both. On these lines we of the Liberal Party believe that industry ought to be reorganized.

IX

Finance and Trade

THE economic situation in all its aspects is a very serious one. We are face to face with high prices, with heavy taxation, with an enormous and unexampled load of national indebtedness, and with low and falling exchanges—in fact, a situation such as never confronted the business community of Great Britain in my time or in yours. I say that, not in a pessimistic spirit—for I am one of those who believe that this country has unexhausted and indeed inexhaustible recuperative powers; but everything depends—everything I mean in regard to the hope of re-establishing our financial soundness and our industrial and commercial supremacy—everything depends upon our taking at this critical moment the right and not the wrong way.

Spending Power and Prices

Let me give you one or two figures which illustrate the actual commercial and financial situation. I am indebted for them to the admirable speech which was delivered in London last week by my friend and old colleague Mr. McKenna, who, as you know, is chairman of one of our principal joint stock banks, in his annual address to his shareholders. First of all, nothing is more striking, superficially striking, and I think to many people disquieting, than the enormous increase in the currency in circulation. Roughly speaking, in the year 1914, the year when the war

began, the currency in circulation, not including currency held in the tills or reserves in the banks, was 130 millions. To-day, at the beginning of 1920, it is 400 millions. Take, next, another and a very significant figure, perhaps more full of meaning even than that large expansion in our currency in circulation—deposits in the banks. The deposits in the banks in 1914—again I am using round figures—were 1,000 millions. To-day they are 2,300 millions. Now, if you add these two figures together, currency in circulation and deposits at the banks, you will see the growth that has actually occurred in what Mr. McKenna calls, and I think rightly calls, the spending power of the public. In 1914 the total was 1,200 millions, in 1920 it is 2,700 millions; in other words, it has grown by 125 per cent.

The Unproductive Loan

Now look at the other material aspect of the situation. The two, as you will see in a moment, are closely connected together. The rate of prices in 1914—and by prices I mean the prices of commodities which enter into cost of living—may be represented for this purpose by the figure of 100. The corresponding figure for the beginning of 1920 is 225; and it is a remarkable thing, as you will see by comparing those two sets of figures, that the increase in the currency in circulation and bank deposits of 125 per cent. is the exact equivalent of the increase in prices, which is also 125 per cent. Well, bear that in mind, and now let us go back for a moment to bank deposits. The total increase, as I have shown you, is 1,300 millions, and if you allow, as you ought to allow, for the greater amount of currency held by the banks compared with that held at the beginning of the war, the actual in-

crease on the deposits is 1,100 millions, and that represents loans advanced by the banks to their customers or to the State. And how much is the one and how much is the other? Advances to customers, are, in the long run, as you know, represented by increased activity of trade and a growing production of commodities. The total, according to Mr. McKenna's estimate, and I do not think it has been disputed by any one, the share of the total increase of 1,100 millions which has to be put down as fairly attributable to increased advances to trade is 300 millions. The result is that you have had 800 millions in the course of these five years advanced by the banks to the Government—without proportionate increase in the supply of commodities. That is the crucial feature of the situation; it is the pivot really upon which the whole of our financial prospects hang. It is because through the necessities of the war the banks, as representing the community, have advanced to the Government 800 millions sterling which is not represented or counterweighed by any corresponding increase in the supply of commodities; it is because of this governing and dominating fact that you have had a rise in prices, a rise in wages, and the greater demand for currency in circulation to which I have alluded.

It is a very serious situation; in fact, its seriousness cannot be exaggerated, and when people talk, and talk legitimately, of the hardship which high prices are inflicting upon the community, it is a fallacy to attribute that to what is called inflation of currency. Inflation of currency and higher prices are both, not a cause but a consequence; and they are a consequence of a single cause, the enormous increase in the borrowings of the State.

Debt Still Increasing

What is the moral to be drawn from these indisputable and incontrovertible facts? The moral to be drawn is surely this—that the only way to check a further rise in prices, the only way to bring down from its present inflated figure the rise which has actually occurred, is to cease borrowing, and to bring your daily expenditure within the limits of your daily income. How far that has been the case at the present moment, you as men of business well know. We are incurring liability now every day of the week—when I say we, I mean the State, the Government on behalf of the community—partly in payment of interest upon debt already incurred, partly on the current daily cost of carrying on the national services of one kind and another, to an amount of about one million and a quarter, not only counteracting any natural or normal declension in the existing level of prices, but tending to push them even higher up than they are at present.

Well, then, what is the remedy? As I have said, the first and the essential and the only really effective remedy is to bring down your expenditure, bring it down until it reaches, at any rate, to the level of the income which you at present derive from taxation. It is not an easy thing to do, but it has got to be done. And one of our complaints against the present system of administration is that that problem has not so far been fairly faced, or, at any rate, drastically solved. There is—and we have abundant evidence of it in almost every direction—there is still going on in various departments of the State, many of which are of war creation, and ought to have ceased at, or as promptly as possible after, the actual cessation of hostilities, there is still going on unremunerative expenditure which

is not producing any equivalent result in the public interest, and which is adding day by day, week by week, month by month, to the burden of indebtedness, and, therefore, to the impossibility of reducing prices, and bringing trade back to its normal level.

Two Competing Fallacies

I do not pretend to say that I think reduction in expenditure, vital as it is, will solve our difficulties. I am satisfied that if we are to get things right we shall require to face, and face boldly, the necessity of turning to some new sources of taxation. There are, as I have had occasion to point out more than once during the course of this contest, quack remedies in the air which attract the unthinking, but which will provide no real or adequate escape from our difficulties. There are at this moment two competing fallacies professed by different classes of politicians, each of which, in my opinion, would be disastrous in its consequences, and would land you in a worse state of things than that in which you actually find yourselves. On the one hand, there is Protection, the attempt to find additional revenue by the imposition of protective import duties. Many of you can remember the old days of the Fiscal controversy, in the early years of the present century. I had in those times many a bout with the late Mr. Chamberlain, and amongst other things which I used to insist upon, and which are quite as true to-day as then, is this: a protective duty, if it is really protective, if it fulfils the intention of those who impose it, namely, to build up artificially a domestic industry which could not flourish without it, a protective duty ought to produce no revenue. Why? To the extent to which it produces revenue it is a failure, because foreign goods are still coming in. A protective duty as a source of

revenue is a contradiction in terms. If it is revenue producing it is, *pro tanto*, not protective; if it is really protective it is non-revenue producing. The experience of this country has proved perhaps more conclusively than that of any other community in the world, that these attempts artificially to introduce and foster industries for which other communities possess greater natural or acquired advantages are a diversion of the labour and the capital of this country from the channels in which they can be more profitably employed, and do not in the long run produce any adequate fruit in the shape of revenue, but impoverish both producer and consumer.

There is another fallacious way of imaginary escape from our financial troubles which is also very much in evidence, much more than the other, before the electors of Paisley in this contest, and that is what is called Nationalization. I don't think I need labour that point, speaking before an audience of business men, because I don't suppose there is a single business man who does not agree with me that the best hope and the only real hope for a full development such as we need, more than we ever needed it before, of our financial and commercial resources is to be found in giving the fullest encouragement and freest play to individual initiative and endeavour.

Co-operation Between Employer and Employed

I think that without falling into either of those pitfalls we might increase our sources of revenue without any serious injury to trade. I am not going—for I have done it already—in detail into the various forms of taxation which I think might equitably and without hampering industry be imposed, but I want to empha-

size two things. The first is this. The real hope, quite apart from taxation, for the best development of British industry lies in recognition, as the very root of the matter, of the fact that you must have free co-operation between employer and employed. You must recognize both on the one side and on the other that it is right and expedient that they should both have a voice in the control of the fortunes of the joint adventure to which each contributes its own factor in production. You must secure by means and on behalf of the State adequate safeguards against profiteering and against the illegitimate action of trusts and combinations which are fatal to the interests of the consumer. You cannot go back to pre-war conditions; the atmosphere and the changed economic structure which the war and the experience of the war have produced have brought about a state of things under which you will never be able to go back to the old pre-war conditions. Labour has acquired, and I think legitimately and rightly acquired, a new position, and Labour will not surrender the ground which it has won. But that does not mean in the least the exclusion of capital. On the contrary, it means, as I hope and believe, the opening out of new ways in which the joint interests of both will be regarded by both, and in which by co-operation and real co-partnership between them we shall avoid a recurrence in the future of periodically recurring outbreaks, sometimes taking the form of actual strikes and sometimes the form of prospective and threatened strikes, with sporadic interventions of the Government of the day to patch up a dispute between the parties. You want to get rid of that once and for all. You want to put the relation of labour and capital, employer and employed, upon a footing on which they will settle themselves.

Interdependence of Nations

The other remark I make is this—and it is a consideration to which I personally attach the highest importance : You can no longer regard the industry or the finance of any particular country, not even our own—important and dominating as it has been in the past, and as I hope it may continue to be—you can never regard it as an isolated thing. It was already before the war becoming to be the case and to be more and more recognized to be the case, but since the war no one can shut his eyes to the fact of the complete economic, commercial, and financial inter-dependence of all parts of the civilized world. Although we set our own house in order by the reduction of expenditure, by the cessation of borrowing, and by wise and well-thought-out taxation, don't forget that we remain, and shall continue to remain, members of a vast international household in which if one member suffers all the members suffer in great or lesser degree. The greatest problem left unsolved by the Paris Peace Conference, and which still confronts us, is to put the economic relations not only of Europe, but of the whole civilized world upon a sound and enduring foundation. I have urged, in company with some of the great banking and financial magnates of the City of London, in America and in France, and in what were the neutral countries, we have urged upon the Governments of Europe and of the United States that they should assemble together a great International Economic Conference, from which no nation should be excluded, whether they were our Allies or our enemies or whether they were Neutral Powers. It should be an Economic Parliament representing all the interests of the whole commercial and civilized world to sit and work together and endeavour to restart the finances and the indus-

tries of all, not upon the basis of special preferences or groupings or of alliances, but on the basis of a common interest. In that way we may come step by step and year by year increasingly nearer the realization of an ideal in which each country will bestow its capital, its labour, its skill, its energy to the production of those things for which it is best fitted, and there shall be an open market for all for the products of each.

X

The Peace Treaty

HAVING now attempted an extensive and, I think, a pretty close survey of the main grounds of domestic controversy, I am going to say a few words on the international situation, particularly as it is affected by the Peace Treaties in Paris.

It is a little more than fourteen months since the Armistice was signed and the curtain was rung down upon the chief theatre of war. A year ago the Paris Conference was just about to assemble. President Wilson, who had over and over again expressed in the best words our best ideas, had come to take part in it. We were all hoping that we should witness a fitting consummation to the greatest struggle in the history of mankind. A year has passed, and how do we stand to-day?

Let us acknowledge at once and acknowledge with heartfelt satisfaction, that some of the main purposes for which we took up arms have been effectively achieved. The military domination of Prussia, with all that it involved to the fortunes of the secular struggle between force upon the one side and right upon the other, that domination has been once and for all and for ever overthrown. Belgium—the protagonist among the smaller nations, and the first victim of German aggression—has been saved. France has restored to her the lost provinces of which fifty years ago she was robbed. Poland has been re-born. The Danish part of Slesvig has been added to Denmark;

and the nationalities of Central and Eastern Europe, liberated from the paralysing thralldom of the Austrian Empire, have been set free with a new charter of independence and self-government. More important still, perhaps, the sanctity of treaties and of the public law of Europe has been finally vindicated; and last, and most important of all, we have set up in the League of Nations a new international polity which promises, if it is given free scope and full authority, first to bring about progressive disarmament, and next to provide in future a rational and humane substitute for the ruinous arbitrament of war.

That enumeration shows you that we have attained great and, as we hope and believe, abiding results—results enough in themselves, even when we recall the countless sufferings and sacrifices by which they have been achieved, to make us proud—us here in Great Britain—that on the road to their attainment we had the wisdom and the courage to lead the way. But there is, unhappily, another side to the account which, when we are striking a balance, we cannot leave out of view. War has not yet ceased. The problem of territorial rearrangement, in some of its most difficult and formidable aspects, is incomplete. National and ethnological animosities and jealousies are still aflame. There is an appalling dislocation over the whole area of Europe of economic conditions. You have large populations literally, without any figure of speech, on the verge of famine. Restarting of industries, the first necessity of the world, is paralysed by lack of food, by lack of raw material, by lack of transport, and by the chaotic uncertainty of the international exchanges. Even our best hope for the future to which I referred a moment ago—the prospect of the effective establishment and the prompt getting to work of the League of Nations—is overclouded by

what we may hope are only transient and passing difficulties and delays. Such is the situation that confronts us, dark and alarming, but not in my judgment desperate, if it is faced with courage and insight, and if, above all, it is handled with international co-operation and goodwill.

Territorial Difficulties

Let me say a word or two of the arrangements made during the last twelve months in Paris—arrangements which are still in some not unimportant respects incomplete, and which have two sides, one territorial, and the other economic. In dealing with the first, the proposed new map of Europe, I am not in any way insensible to the enormous difficulties which had to be encountered and overcome. Let me give you an illustration drawn from my own experience. You have heard a good deal during the last few days of what is called the secret treaty with Italy, a treaty which was negotiated in the spring of 1915 with the object—an object urgent and almost vital to the cause of the Allies—of bringing in upon our side the active co-operation of the Kingdom of Italy. For that purpose we had—the Allied Governments—to consider Italian claims. They were carefully considered; we conceded nothing, consciously at any rate, which we did not believe to be justified either by ethnological, historic, or strategic considerations. It is quite possible, with the fuller knowledge which is now available and the opportunities for longer deliberation which were then denied to us, that that arrangement has proved to be capable, or more than capable in some of its parts, of revision. I feel sure that it will, but it is an illustration of the difficulties which confront us in all these matters; for there is no problem in the world—at least, none I have had to deal with—more exacting

than to disentangle with the best will and the strongest desire to give full effect to national rights, traditions and aspirations—there is no problem in the world more intractable than that which is represented by the intermixture of populations on the north and east of the Adriatic. This is a specimen—an extreme specimen, perhaps—of the kind of thing that the Conference in Paris had to face and to handle.

Points for Revision

Now upon the territorial side we cannot go into details on an occasion like this, and I will confine myself to three specific points. In the first place the new frontiers are in many cases, and especially in Central and Eastern Europe, necessarily provisional. With the time at their disposal and the means at their command, it was obviously impossible for the Conference to be fully informed of the distribution of population and the other relevant facts in these debatable lands. There must be opportunity for deliberate review and revision, for which the League of Nations will furnish an appropriate instrument and authority, to be guided always by two main and governing considerations, namely, nationality and self-determination. The next thing I wish to say is this, and this is a very important point: the new States which have been brought into existence in the area of what was the Austro-Hungarian Empire ought, in my judgment, to be treated, as they have not been treated in the Treaty of Paris, for fiscal and commercial purposes as a single economic unit. If they proceed, as there is some reason to fear they may proceed, to set up customs and tariff barriers and entanglements between themselves, or between themselves and their neighbours, this would be a steady menace to their material prosperity and to their future peace. My third observation

is this—I am still in the sphere of territorial readjustment: the future of Russia dominates and overshadows the whole scene from the Baltic to the Black Sea. Every arrangement in that part of the world must be not only provisional but transient, and the new States will have no assured prospect either of internal stability or of external safety until there is peace with Russia and a settlement of their and her territorial limits and economic relations. There, again, we must look first of all to the wisdom and statesmanship of the Powers, who, I think, are now unanimous in their determination not to burn their fingers any more by meddling with the internal affairs of Russia. We must look first to the statesmanship of the Powers, and, next, if that breaks down, to the overriding authority of the Assembly and Council of the League of Nations.

Financial Provisions

I pass to what is perhaps an even more important aspect of the work done in Paris—that is, the financial provisions of the Treaty. It is little more than thirteen months since we had a General Election. It will enable us somewhat to measure the distance we have travelled on the road between fiction and reality during that comparatively short space of time if you recall—as you here in this part of Scotland may easily recall—that there was published, I think by one of the members for Glasgow, just before the General Election of 1918, an elaborate series of calculations to show that the cost of the war when it was all added up would have been £25,000,000,000, that the Germans were financially capable of paying £25,000,000,000, and that the Allies ought to demand from Germany £25,000,000,000. These were the kind of figures which were put forward as representing the real facts of the case. We shall see how far off they were from reality and truth.

We are all agreed, whatever other points we may differ upon, that Germany ought to pay as large a sum, as promptly as may be, as her financial capacity allows by way of compensation for the damage inflicted by her on the Allies during the war. There is no difference of opinion on that. And if I call attention, as I am going to do, to limiting conditions which attend the carrying out of that proposition, I need hardly assure you that it is not from any tenderness to the German Government or even the German people. We cannot forget, or ought not to forget, the enormous, and in many cases, irreparable injury which was wantonly inflicted in France and in Belgium and on ourselves in the case of our Mercantile Marine on the seas. Anyone who has been, as I have been, through the devastated regions of Northern France, and—as I went only last July—through those parts of Belgium which have been throughout the war in German occupation, and has seen the extent of the damage created, and particularly the effects of the wanton deportations and destructions during the last year of the war (when military success had become the remotest of chances with the Germans) of valuable plant and machinery and of all they could lay hands on in order to paralyse and postpone, possibly for years to come, anything in the nature of an industrial and commercial revival in the countries which had been their victims through the war—anyone who has been over that ground and has witnessed these scenes, however humane he may be and however anxious to let bygones be bygones, anyone will say it is just and right as a matter of principle and example that to the extent to which she is able to do so Germany should make reparation for the wanton injury she has done.

The Real Reason for Moderation

No, I am not speaking out of any tenderness or sentimental feeling towards Germany, but I want you to realize and come to close quarters with the actual facts, to see the difference between that which is and that which is not practicable and wise. It is important no doubt that Germany should make reparation for the wrong she has done. It is almost equally important—I am not sure if it is not more important for the permanent interest of the world—to accelerate, as far as you possibly can, the restoration of the normal economic life of Europe of which Germany is and must continue to be a most important factor. A remarkable statement has been made in London by a very well-known man of business—he is not a politician, but is chairman of one of our greatest banks—the London County and Westminster Bank—Mr. Walter Leaf, who addressing his shareholders at their annual meeting, said the country must “learn to recognize that the attempt to annihilate Germany by preposterous demands for reparation will hurt ourselves far more than it will hurt Germany, and will mean not only the economic but the social suicide of Great Britain.” That is the opinion of a man of business of the highest eminence, and of absolute political impartiality; and if you wish the lesson he lays down to be illustrated by example, you cannot have more significant figures—for those who know the meaning of figures—than the ones I am going to give you, which set out in bald simplicity the condition of the international exchanges at this moment. The British pound is worth 39s. in Paris, 51s. in Rome, £16 in Berlin and in New York only 13s. 6d. Put these figures together in your minds and you will realize to what a condition of absolute dislocation and chaos—I am not using exaggerated lan-

guage—to what dislocation and chaos the whole financial structure of the world has now been reduced. There is only one remedy and that is to get the world, including Germany, to work at the earliest possible moment with the best possible plant, to secure the largest possible output of production for exchange.

Some Impracticable Conditions

Now what does the Treaty do in this respect? In the first place, it takes away, or at least it enables the Allies to take away, if they are so minded, from Germany, first, the whole of her mercantile marine, secondly, one-third of her whole coal supply, that is to say the source of her coal supply, with the additional obligation of delivery to France, Belgium and Italy for some time to come of twenty-five million tons of coal every year. There is an incidental result of that which, I think, has not been sufficiently noticed. Germany is to have her sources of supply curtailed, and she is to have imposed upon her this obligation to export very large quantities of coal annually to three specified countries, three of our late Allies. Before the war, Switzerland, the Scandinavian countries, and the whole of the north of Europe, were in the habit of drawing a very large part of their coal supplies from Germany. The result of this provision in the Treaty means that there will now be no German coal for them; and you will have the ridiculous spectacle, for such it will be, of coal from Germany being sent by truck or by water to France and Belgium, while Switzerland and Denmark will have to import their coal from America or us. Surely a more topsy-turvy arrangement of international business it is impossible to conceive.

I have spoken of the mercantile marine, and of the

coal, also, which she is to lose. Through the restoration, the perfectly legitimate restoration, of Alsace and particularly of Lorraine to France, she is going to lose 75 per cent.—three-fourths—of her iron ore. She has taken away from her at the same time, not only all her colonies, but her investments and concessions in foreign countries, such as China, and a number of others which will readily occur. In all these ways the capacity of Germany not only to pay her indebtedness in the matter of reparation, but to restore and develop her own industrial activities, is curtailed, maimed, and hampered. Simultaneously the obligation is put upon her to pay down by the month of May, 1921—that is May of next year—to pay down by way of restitution a thousand millions sterling in money or money's worth, less any deduction the Allies may see fit to allow her for food and raw material, and at the same time interest-bearing bonds to the amount of two thousand millions, and a further instalment of a number of securities in the future. The total liability of Germany—and this is one of the capital defects of the Treaty—is nowhere defined. The Finance Minister of France, who was in M. Clemenceau's Government, M. Klotz, I remember, estimated last autumn the amount of that indefinite liability at no less than £15,000,000,000.

Well, now, ladies and gentlemen, I ask you to consider Germany's capacity. It is a question of capacity, as I said a moment ago; not a question of sentimentality, but a question of practical business capacity. Is it conceivable that Germany will be able, with her crippled resources and with these first claims which our late Allies have upon her most essential export commodities, like coal, is it conceivable that she will be able to meet liabilities of that kind? To my mind it is absolutely inconceivable.

But the provisions as regards Austria are even more severe. They have been described by such a thoughtful and sober-minded man as Lord Robert Cecil as "insane." Austria, unlike Germany, is a bankrupt State, and upon her, upon this bankrupt State, the Treaty imposes an undefined liability—undefined, I mean, as regards its total amount. She is to hand over, in addition to large quantities of manufactured articles, some 19,000 head of cattle, horses and sheep. Think of that. That is in a country where the condition of the population is such that we are making appeals in our churches and from our platforms day by day and week by week to the benevolence and generosity of the people of Great Britain, supplemented by a corresponding dole from the Government, in order that they may be saved from starvation. I do not think I need enlarge upon that.

Not a Clean Peace

To supplement the whole, a body is set up called the Reparation Commission, in which the conquered States are not represented—a body which is entrusted with a discretionary power of control over their whole commercial and industrial life and their trade relations with other countries. In fact, at the start of this new world there is a millstone of indebtedness round their necks which they cannot even calculate, with crippled financial and industrial resources, and with the whole of their internal economy, their import and their export trade, not governed nor guided by their own initiative and according to their own ideas, but subject to the authority of an extraneous body in which they have no voice or representation of any sort or kind. If you ask my opinion, I will give it frankly. It is not statesmanship. It is not business. It is not common sense. It is not the clean Peace by which I always meant, and other people meant, to end war with the war. It is not the

clean Peace which we were all of us, without distinction of Party, demanding and clamouring for eighteen months ago.

Now I have had to weary you, I am afraid. I have tried to make clear these rather intricate details, in order to indicate step by step the conclusion to which, in my judgment, they ought to lead. And I am doing so for the moment, not in any sense as a Party man, but, as I may, as a representative of the nation, not indeed in the House of Commons, but as one who has been responsible for its policy in the past and perhaps more responsible than anyone else for bringing it into a state of war; and speaking with a full sense of that responsibility, I tell you that in my judgment, after much consideration and such examination as I can give to all the relevant facts, I am disposed to believe that after making proper allowance for what is needed to restart German industrial life, 2,000 million pounds is about the outside that can be got from Germany. What shall we get of it after the claims—and I have to admit they are claims of priority, for they are claims of countries which have suffered in proportion to their size and resources much more heavily than we have—after the claims of Belgium and France, and I would add Serbia, which perhaps has suffered more than any in proportion to its size? After those claims have been satisfied there will not be much left to go round; and those airy fancies of twenty-five thousand millions—which were to patch up every little rent which the war has left in our skin or houses or property or prospects—those twenty-five thousand millions may be dismissed as the baseless fabric of a vision.

Write Off the Bad Debts

For my part—and I should not be at all surprised if the present Chancellor of the Exchequer agrees with

me—if I were budgeting for the future, I should write this off. I know you have in business a disagreeable heading, a heading for business men's books, of what are called "bad or doubtful debts." This is a bad and doubtful debt, and a prudent man of business will not let it enter into the account at all. I would like to add upon that point, that I think it would be wise if those who have the stewardship of our finances and are forecasting their possible future resources, were to take a very similar course, if not identical, in regard to the sums which are, on paper, due to us from the various Allies which we have helped to finance during the war.

There again I am sure there will be the greatest desire and disposition, but they have not got the capacity, and they will not have the capacity unless they starve and stunt and cripple their own nascent industrial life. I would rather we forwent receipt of what we lent in pursuit of the great common adventure than that we should do anything to cripple and maim their powers of recuperation and prosperity in the future.

What is my conclusion? My conclusion is—fix once and for all the outside of your claim, the outside of the liability which Germany and Austria have ultimately to pay, and then they will be able to adjust their industrial system accordingly. I say next, take this Reparation Commission, which in all these matters has a discretion, and make it a branch, if you please a subordinate branch, of the League of Nations, and at the same time put upon it representatives both of the conquered countries and of the Neutral Powers. In that way you will have a Tribunal in which they are all represented, and which can be trusted—as it will represent both the Allies and the Neutral world as well—to do justice and equity in each case as it arises. It is only, in my judgment, by setting up, and setting up

without delay, machinery of that kind that you can bring within measurable and practical dimensions this otherwise overwhelming world problem.

The World is One

That leads me to what is after all a higher consideration. I have been dealing with this as though it were a mere matter of business. A matter of business assuredly it is, but it takes us, if we work it out in our own minds, into a rather different atmosphere. I repeat, it is even more true to-day—since the experience of the war and in view of the consequences to the whole world, the whole of mankind, which the war has brought in its train—it is becoming increasingly true that the world is one, economically, industrially and socially, knit together by a network of bonds and ties, some visible and tangible, some invisible to the naked eye, but which knit together as it were in one framework the interests and the fortunes of all the communities on the face of the globe. It was never so true as it is to-day that if one member suffers all suffer, and you will never find your way through the terrible imbroglio that the war has created unless you realize the need, the imperious need, of co-operation and mutual goodwill. The League of Nations is, we hope and believe, I won't say a landmark, but a starting-point upon the new road of departure. If its machinery becomes, as we trust and believe it will, effective for the purpose, it will make a recurrence of such a war as that we have lately gone through impossible either between the members of the League or those who do not belong to it. This, therefore, we have good reason to hope, and for my part I am prepared to believe, is the last time that the world will be subjected to such a costly and terrible experience. Having, with the valour of our sailors and our soldiers

and with the help of our Allies, achieved, as we have in very full measure, not a few of the high purposes for which we embarked on that great adventure, let us see that the completion of the task is worthy of the beginning, and that we set up a new era of international amity and good will.

XI

Housing

THERE is no matter on the domestic side of politics which more nearly and intimately concerns the best interests of the mass of the people than that of Housing, and I have ventured to criticize the conduct and proceedings of the Government, not because they have not placed on the Statute Book an Act dealing with this matter—a very excellent Act finds its place there—but because in practice and reality, although thirteen months and more have now elapsed since the Armistice, practically nothing has been done. Schemes have been approved, plans, we are told, in thousands have come up for review, and have received the official imprimatur. But schemes and plans do not afford habitation for human beings. We want houses, and the houses are not there.

Liberal Housing Reform

I observe that Dr. Addison, an old friend and colleague of mine in the Ministry of Health, is apparently a little nettled at my criticism. He adopts an expedient which is very common in warfare, political as well as other forms of warfare, namely, that when you are in a strategically weak position you should indulge in a counter offensive. And so, without denying—it was impossible to deny my statement because it rests upon the official figures—without denying the truth or accuracy of the melancholy figures which I have placed before you already, Dr. Addison says:

"What were you doing all the time you were at the head of affairs? What did you and the Government of that day do for the housing of the people? It was an era," Dr. Addison tells us, "of high-sounding phrases and empty platitudes." Well, during that era I was at the head of the Government, and it was I and Dr. Addison's present chief, Mr. Lloyd George, who were together jointly and mainly responsible for the domestic policy of the Cabinet and the Government. I do not know whether Dr. Addison agrees with the Tory candidate who is seeking your suffrage, that the main cause of the slackening in the building of houses in the later years of our term of office was due to Mr. Lloyd George's Budget of 1909, of which I was always a hearty and enthusiastic supporter. I do not believe that there is any truth in that allegation. The principle of that Budget, a perfectly sound principle in my judgment—I have never wavered in my allegiance to it—the principle of that Budget was to tax land which was not being used, and so to force it to be used for building and for other useful purposes. I agree that the machinery, particularly as it was construed and interpreted by some legal decisions, was imperfect, and ought to be amended, but the principle is a perfectly sound one.

Vacant land, land artificially kept vacant—when I say artificially, I mean because the owner is apathetic or standing out for a larger price, or for a hundred other reasons, and is not doing his duty as the owner of an article of primary value and necessity, which is limited in quantity and area—land which is being kept vacant is a fit subject for taxation in the public interest. That this taxation, imposed for the purpose of bringing vacant land into profitable and serviceable use, was legislation which would penalize or obstruct

the building of houses, it is surely out of all reason to suggest, and Dr. Addison, I am quite sure, will not associate himself with any such criticism. He seems to suggest that we in those days, the Government of which Mr. Lloyd George and myself were members, did nothing and proposed nothing. There were slums then as now, he tells us, overcrowding then as now, but the Administration, he suggests, were blind, and deaf, and apathetic. He seems never to have heard of Mr. Burns's Housing and Town Planning Act, which was brought in by that Government, and put on the Statute Book, for the express purpose of dealing with the slums of our great towns, and the building development of our urban communities upon hygienic and sanitary lines.

What is a still more curious lapse of memory, Dr. Addison does not seem to bear in mind that in the winter of 1913 and the spring and summer of 1914, we, the Government of that day, were engaged in launching a great land programme which would have gone to the very root of the housing question. We were arranging all its details, all its leading features had been thought out, and it was ready to be put into operation, but the war came, and for the time being there was an arrest, a necessary arrest, in the whole sphere of domestic legislation. I am perfectly prepared to defend, and not only defend but justify, the Housing policy of the Government of which I was a member. But, after all, the question is not so much whether we were guilty of indifference in the past, but what is being done now? There was, undoubtedly, a Housing question before the war, but the dearth in houses, in proportion or in relation to the need for them, was nothing approaching to what it has been since the war; indeed, the supply was in excess of the demand; but I have always been of opinion, and I have expressed it over

and over again, in and out of Parliament, that the quality and character of our housing accommodation, particularly in mining districts, and also in many rural districts, was scandalously deficient in a degree which fell short of sane, reasonable, and humane life.

Defects of the Government's Scheme

All these evils in so far as they existed before the war have, of course, been enormously aggravated and intensified during these five or six years. There are five years' arrears to make up. Not only have houses not been built, but many of the old houses have fallen out of repair, many of them have had to be closed. The result is that over great areas in Scotland and England to-day there is something which can only be described as a house famine. Towards the end of the war we had a Ministry of Reconstruction which made a report—towards the close of the year, I think, of 1918—that the number of houses that ought to be built within twelve months of the signing of the Armistice—that is, between November, 1918, and November, 1919—the minimum number of houses that should be built was 100,000. As a matter of fact you know the total number; it was 124. I admit, as a fair-minded man, that the difficulties with which Dr. Addison and his predecessor were confronted were very great. Building material had gone up in price and labour was scarce. But they went the wrong way to work. There were three sets of persons or authorities who ought to be associated in this matter—the Central Authority, the Local Authority or the public utility societies, and last, but not least, the private builder. And the Government, having gone on for months with a congested load of business schemes and projected plans,

cast them upon the shoulders of local authorities, subject to central review and approval, with the result that in not a few cases there were weeks and months of delay. The Government never took the private builder into account. They have now seen the error of their ways, and they have brought in a Bill under which the private builder is given a premium of £150 a house to induce him to undertake a share. That is something like what should have been done before, and done long ago. And if it had been done, instead of this elaborate concentrated system swathed and bound in red tape, you would have had an elastic system in which every kind of interest and enterprise would have been encouraged to take its share in the task. We should be having not houses on paper, not plans submitted and approved; we should have had houses occupied in which people could take up their abode. You cannot have a more severe critic of the policy both in regard to delay and in regard to expense than a gentleman who has lately been associated with Dr. Addison—Sir Tudor Walters, a high authority, and I am quite content to rest the case against the Government on that.

A Further Word on Mining Royalties

I have been saying a good deal about nationalization—the proposals for nationalization which are in the air, applicable in the first instance by way of instalment, and only by way of instalment, to the mines. Since then, my friend Mr. Smillie—for whom I have a very high respect, both for his sincerity of purpose and ability—has been enlarging upon the programme of nationalization as applied to the mines. He made two points to which I think I ought to make a reference. First of all, I think we are agreed that the time

is coming for the State to acquire mineral rights and royalties. I believe that would be in the interests of the community, and that it would in no way hamper or interfere with the natural and free development of the mines themselves. "All very well," says Mr. Smillie, "but upon what terms are you going to take them?" My answer is, of course, a very simple one, "Upon terms of compensation for their fair value." Mr. Smillie says these people who are in possession of the royalties are thieves and robbers, or, at any rate, the descendants of freebooters and robbers, and that the fact that they have been so long in possession of what by all the laws of right ought to be national property is quite sufficient to justify us in turning them out without a penny of compensation.

Have those who demur to fair compensation thought the question out? I wonder! In the first place this is property—*a priori* and on abstract grounds—this is property which is recognized and sanctioned by the law. It has passed from father to son and has paid taxation to the State. It has passed from vendor to purchaser, has been bought in the open market, and in the vast majority of cases the existing owners of royalties are not descendants, in any sense, of that heroic and misty figure, the original freebooter. They are people who are honestly paying out of their own hard-earned and accumulated savings in order to acquire a form of property of which the State had guaranteed the integrity. Is it equitable that this ought to be taken away without a penny of compensation? And if such a thing were done would it conduce to the well-being of a community like ours?

You cannot stop at mineral royalties. What about land? That is another case of freebooting, only on a very much larger scale. There are many of our friends who are very anxious to nationalize the land.

I don't think it would be at all a profitable transaction for the community ; but if once you set your precedent you will have to carry it on during your whole process of nationalization. You will have to apply it to the co-operators. Well, you see how you go on step by step.

XII

The Land Question

I SHOULD like this evening to devote a few words to a topic to which, I think, I have hitherto incidentally alluded—the Land.

Now, the Labour Party find their solution for the evils and injustices, social and economic—and there are many—of our present land system in the application of their favourite specific, Nationalization. That is their sovereign panacea for all the ills of our social life.

Meaning of Nationalization

You will not be surprised to hear that, at any rate, while far from blind to the many evils which call for a remedy in our existing system of land, I do not look in the direction of Nationalization for the way of escape. I know—I do not know if our Socialist friends do—I know what I mean by Nationalization, and as applied to land it means, in my understanding of the term, ownership, control, and management of the land by or under the supervision of the State. Would that help us out of our troubles? Would it not bring in its train more difficulties and more dangers than it could possibly avert? The State is to become the universal landlord. If that is so, the fixing of rents becomes at once a political question; just as if, in the case of some of our industries, you were to nationalize, the rate of wages

would inevitably become a political question; and you would have contests fought on the raising or lowering of rents or rates of wages to the infinite demoralization of the purity of our public life. Then, again, what about the use of land under such a system as I have defined? Although we are townsmen and townswomen, we all know enough of the country to be aware that there is no industry which requires variety, elasticity, and enterprise in a greater degree than the industry of agriculture. For there is no industry which is carried on in the different parts of the Kingdom under more varying and heterogeneous conditions. Anything that will tend to stereotype the methods and processes of management, anything that will tend to hamper or paralyse individual initiative, which is as important in agriculture as in other things, will, in the long run, diminish production, raise prices, and, to the extent to which it is carried, impoverish the community.

It is a very curious and a very significant thing, to which sufficient attention has not been given, that, so far as we are aware, Nationalization of land, in the sense in which I have used the term, has never been tried up till this moment in even the most democratic communities. We have had Labour Governments in power in many of our Dominions, certainly in most of the Australian states, but they have never made that experiment. Perhaps still more significant is the fact that in Russia, under a system of what is called Soviet Government, the most advanced, some people would say the most reckless, experiment in even a caricature of democracy, there is no attempt even in Russia, under this advanced system of Government—although Lenin and Trotsky have tried, and for the moment succeeded, in eliminating capital from a number of the industries of the country—even there they have stopped short of any attempt to nationalize the land.

State Afforestation

So much by way of criticism of the alternative policy. Now, let me ask what is the policy which I and most Liberals would recommend, and, if we had the power, would adopt? There is, in my judgment, no cut and dried formula to be applied to a problem so complex and intricate and varying in its conditions and its application as the problem of the land. I am quite prepared to contemplate, and even to advocate where I think it is suitable, State action, and I will give an illustration. Take the case, the most important case, and one perhaps of growing importance, the case of afforestation. I am disposed to think that that is one of the cases in which the State might very wisely take the business in hand. Why? For two reasons. First, because of the relative simplicity of the problem, particularly as regards labour, and, next—a still more serious consideration—because of the long period which necessarily elapses before you get any return, and, therefore, the relative economic impotence of the motive for the private individual to go to the expense of planting his land. I am not at all sure that this is not a case in which the State might very well take the business in hand. I am certainly strongly of opinion that it would be a better plan than that which has been adopted in the present year of granting a State subsidy.

The Example of Denmark

But for agriculture in general—and I use the term in its widest sense, to embrace almost every form of cultivation—for agriculture in general you need the most elastic system you can devise, giving full play to initiative and enterprise, and always backed,

and I hope increasingly backed, by co-operation, and by some far-sighted, well-developed organization of technical education. Some people say, and not without reason, that one of the great wants of British agriculture is more capital; but a need which is much more urgent is effective education, scientific knowledge of the trade itself, for it is a trade like every other trade. You have only got to look at the experience of a country like Denmark, which does not enjoy any special advantages either in climate or soil, to see how under private ownership with great variety of management and elasticity, coupled with, on the one hand, an admirable system of co-operation, and, on the other hand, an equally admirable system of technical instruction, how rich the output and produce of the land may be made. I need not warn you that the worst expedient that can possibly be resorted to for the purpose of restoring or increasing prosperity and production in agriculture would be any reversion to protective import duties.

Tenure and Wages

Next let me look at another aspect—the question of tenure and wages. As regards land tenure—the conditions under which land is occupied and used—we are all agreed that the tenant should have a fair rent, a guarantee from capricious disturbance, and adequate compensation, when he leaves, for the improvements he has made and the wealth he has added to the soil. I am of opinion myself that that can only be secured by setting up some tribunal—I don't care by what name you call it—a tribunal judicial in character, entirely independent of the executive authority of the day, with a procedure simple, cheap, and prompt. I see nothing to fear and much to be gained from a tribunal such as that. Those conditions are to some

extent secured here in Scotland in regard to Small Holdings. The extravagant provisions for compensation with which, owing to Parliamentary pressure, the original Act was encumbered, have been to a large extent removed; but I may say in view of the declining value of money that I am strongly of opinion that there ought to be a revision upward of the rental limit. Wages in agriculture here in Scotland have always been higher and better than in my own native country, and this is one of the proofs of the fallacy—the old and I hope the now exploded fallacy—that high wages are a hindrance to production. The enhanced wages of the Scottish ploughmen have been, on the whole, coincident with and causative of a much better output than was the case when wages were lower. There is still much, even in Scotland, to be done in the direction both of the shortening and regulation of hours and the better conditions of housing.

Let me remind you that the two otherwise useful Acts passed into law by this present Parliament—the Land Settlement and Land Acquisition Acts—were both vitiated by the inflated prices which, under them, the land-owner was entitled to exact. It is not the fault of the Free Liberals. On the third reading of the Land Acquisition Bill, as lately as the eleventh of last July, Sir Donald Maclean proposed this amendment: “That this House declines to give a third reading to a Bill which sets up an expensive staff of valuers and which fails to establish the principle” (and this is the crux of the matter) “that the value on which land is taxed is also the value for which it may be acquired for public purposes.” That has been during the whole of my public life one of the dominating principles of the Liberal Party when they were dealing with the land question. But what took place? Sir Donald Maclean moved that amendment, and in the division which took

place, two Labour men supported Sir Donald, five voted against him, and the remainder abstained. Can you have a better illustration of what I have said over and over again, that you must judge a party not by its programme, not by its professions, not by its platform rhetoric, but by its Parliamentary performances?

XIII

Russia

I HAVE been looking in the records of our opponents' meetings and deliverances for some fresh topic upon which I ought to speak to you.

What do I find? I find that the Tory candidate is engaged, even at this stage of the election, in endeavouring to bespatter my war record; and, incidentally, though unconsciously, that of a number of my late colleagues who are members of the Coalition Government. There is one in particular, not a member of the Government, for he is no longer with us, upon whom these charges, if there was any foundation for them at all, would reflect. I mean that illustrious and distinguished servant of the State, who held the helm during the early years of the war, Lord Kitchener. I see that some wiseacre in London has been repeating a mis-statement, which has often been denied, that I was forced, contrary to my original intention and against my will, by the pressure of outside opinion, to put Lord Kitchener in the War Office. That is a ridiculous fiction for which there is not a shadow of foundation. I thought from the first, and it may interest you to know that my noble friend Lord Haldane entirely agreed with me, that, if I could persuade him to accept the office, Lord Kitchener was the man, and the only man, to put at the head of our war affairs. My war record I say nothing more about;

it is known to you ; but the more light history throws—and it is throwing increasing light month by month—on the course of the war, the cleaner that record will become, and the more general, I believe, and the more generous, will be the national tribute to the services which I myself and my colleagues were able to render.

The Labour candidate, I am glad to say, has conducted this campaign in a manly and gentlemanly fashion ; but he and his platform friends last night felt they must do something, if they could, to refute the exposure which I have made more than once of the claim of the Labour Party to be the real parent of liberal and progressive reform. They took as an illustration the history of old age pensions. I repeat every word I said two or three days ago upon that subject. The Labour Party, no doubt, passed resolutions at their meetings and at their conferences and on their platforms in favour of old age pensions ; but who accomplished the task ? It was due to no pressure from them. It was done in the Parliament of 1906, in which the Liberal Party was in an overwhelming majority over all the other parties combined ; it was done spontaneously ; it was done by me as Chancellor of the Exchequer, and was done as soon, after making provision for debt and for the remission of taxation, as I felt that the finances of the country would stand the strain of the burden.

Two Antagonistic Policies.

I have been looking at the King's Speech—delivered in Parliament this afternoon. It is a very colourless document until it is further elucidated. There is one passage in it to which I would like to call your attention. The King says, or his Ministers say, that in order to secure the full blessings of peace and prosperity in Europe it is essential that not only peace, but

normal conditions of economic life shall be restored in Eastern Europe and in Russia.

What have we been doing in Russia for the better part of twelve months? We have been running two antagonistic and incongruous policies: one a sane and enlightened policy; the other a venturesome, costly, and, as the result has proved, an altogether futile policy; a policy of non-intervention on the one side and a policy of intervention on the other. The Government have been adopting these policies intermittently and alternately, and without any kind of governing thread of principle or of continuity. It is only fair to say, so far as I can judge, that the Prime Minister has been opposed throughout to intervention; but he has been overborne by more adventurous, or, I should say, more reactionary, colleagues. Just think what we have done. We have sent military missions to Koltchak, Denikin, and Yudenitch. British troops during a substantial part of a year have been engaged in Northern Russia. We gave lavishly to all these adventures—money, supplies, railway material, and munitions, including tanks and aeroplanes. The British Government sent them there. And at the same time the British fleet has been engaged in subsidiary operations in the Baltic. We established a blockade, now happily relaxed, which has continued for months with the object of building a wall, a commercial and economic wall, for the time being between Russia and the rest of the world, with disastrous results to the Russian people, who have been short of the opportunities of exchanging what they produce for the produce of other countries; and with hardly less injury to the whole economic system of Europe, inasmuch as it shut out one of the most valuable markets which international trade possesses. We have spent upon that series of enterprises not less than one hun-

dred millions sterling out of the British Exchequer at a time when our own finances were in sore need of readjustment. I said it has been a futile policy, productive of no good result. What have been its consequences? It has strengthened the authority and extended the power of the Soviet Government, not only in European but in Asiatic Russia. The Soviet Army is stronger than it has ever been. The patriotism of the people—this is one of the inevitable results of intervention of this kind—has been enlisted behind them and in their aid.

The Need for Peace and Trade

What should be the policy now? It appears to me, and I believe to all Liberals, and I fancy also to a large number of Labour men, that subsidies and all forms of intervention, direct or indirect, should cease, and that trade, free and full, commercial and financial and industrial intercourse, should be reopened without delay. The Border States should be encouraged to follow the example of Esthonia and make peace on reasonable and advantageous terms with Russia. The Allies should do the same, for reasons which are not only selfish reasons, but ought, I think, to appeal to our conscience as well as to our judgment. In the first place, neither the financial resources of the Allies, nor the opinion and sentiment of the people they represent, justifies them in undertaking or supporting indefinite military operations in Russia. We have not got the money for it, even if we had the will, and we have not got the will even if we had the money. Let me point out further that the first need of these new Border States which we Allies have set upon their legs, for whose well-being and prosperity and independence there is not one of us who had not the highest hopes and the most sincere wishes, these Border

States ought to be setting their own houses in order. They ought to be formed into a single economic unit; there ought to be no customs or other barriers between them; and such resources as they have—they are very large actually and still larger potentially—such resources as they have ought to be employed, and employed exclusively, in developing their own very promising future.

The Analogy of the French Revolution

But if it is needed in the interests of the Allies, and in the interests of the Border States, it is still more needed in the interests of Russia herself. For there is a grave danger, if things go on as they are, of the establishment in Russia of a military régime. I invite you to recall the history—a most apposite and instructive chapter in the annals of the modern world—to recall the history of our dealings with the French Revolution. The Powers of Europe foolishly and short-sightedly—because the French were getting rid of their monarchy and because the people in Paris and elsewhere were committing outrages—the Powers of Europe invaded France. They were repelled. France became a Republic. As the war went on, as Coalitions were formed among the outside Powers to coerce France, to restrain her expansion, to compel her to change her form of government, she passed through the stage of a Directory into a Military Empire, of which Napoleon was the head, and which for ten or twelve years dominated Europe with the most disastrous results to France herself and everybody concerned. History has a way of repeating itself. If you array the military forces of the Great Powers of Europe, or any combination of them, against the free development according to their own wishes of the Russian people, you will be paving the way for the establishment there

of the one thing which is least to be desired—the revival of a military autocracy.

And finally, look at it from a still larger point of view, from the point of view of European and of world-wide reconstruction. I told you the other day, reminding you of what we are perhaps too apt to forget, since all the passions of the war have not yet altogether subsided, I told you that you must realize that the World is one. It is becoming a single unit, with, of course, a multitude of varied and interdependent factors. We cannot leave out of that vast area, with its network of ties and interests, this gigantic Empire of Russia—with its ever-growing population; with its almost incalculable natural resources, agricultural, mineral and otherwise; with a people who, although in some ways they may not have reached the standard of western civilization, have in them, as their literature, and art, and history show, the developing germs of some of the highest and rarest qualities of the human race—we cannot shut out Russia from the general community of nations without impoverishing the world even more than Russia herself. Let that be the watchword of our future policy. That which has been squandered and wasted cannot be recovered, but let us proceed on the sane lines of Liberal statesmanship, always having echoing in our ears the lessons, significant and pregnant, of the historic past.

XIV

Replies to Critics

IN a previous speech I dealt with the problem of Ireland, and indicated the lines upon which I thought our policy ought to proceed. I also at the same time, by way of narrative, explained how it was, by what a succession of acts of misjudgment we have been brought into the present unhappy position in that island. I claimed for the Liberal Party then, as I claim now, that for more than thirty years it has made the cause of self-government for Ireland one of the main planks in its political platform. After years of struggle, after a long exile from office, it has pursued in season and out of season the policy first outlined and proclaimed by the most illustrious of our leaders in the past—Mr. Gladstone. After two General Elections, and after the passing of the Parliament Act, which removed the obstructive power of the House of Lords, we finally succeeded, five years ago, in putting the Home Rule Bill upon the Statute Book. I claimed the credit, and I claim now the credit for that great advance. There are still further steps to be taken before the problem can be finally solved, but I claim the credit of that great advance for the Liberal Party. Mr. Ramsay Macdonald has been bold enough to assert that the Labour Party was the only one which had a clean record in regard to Ireland, and when I ventured to challenge that assertion, as I at once did, he, I see, has tried to prove that it is to Labour rather than to

Liberalism that Ireland has had to look and still ought to look for the attainment of her aspirations. The point is a simple one, but it is an important one, and I will not, therefore, apologize for dealing with it for a few minutes.

The Labour Party's Record on Home Rule

I demonstrated that the immediate trouble with which we are now confronted in Ireland was due to the short-sighted folly—there are no other words adequate to describe it—of the Government in introducing a proposal to apply military conscription to Ireland at the moment when the Sinn Fein movement was going downhill and the constitutional movement recovering its ascendancy, the moment when the Irish Convention, composed of men of almost all parties, had sat and reported. And I said, in answer to Mr. Ramsay Macdonald's claim that the Labour Party had a clean record in this matter, that while, at the time that that proposal of applying conscription to Ireland was put forward in the House of Commons by the Government, they promised and assured the House that they would simultaneously pass what was needed to complete Irish self-government, they fulfilled the first part of their agreement and broke the second. They passed into law the Military Service Act, but up till the present moment no measure for the completion of Home Rule, as such, has been introduced in the shape of a Bill, although twenty months have since elapsed. I have said—and I think I was justified in saying so—that the Labour members of the Government, of whom at that time there were many—they are fewer now—and there is one less to-day—the Labour members might easily have shown and ought to have shown that they thought more of self-govern-

ment than of a futile and fruitless attempt to impose conscription upon a country which did not want it, by resigning from office. They did nothing of the kind; they retained their offices and, as I say, they became parties to the passing of conscription without the passing of Home Rule. Mr. Macdonald says that the Labour organizations in the country all passed resolutions deploring the proposal to apply conscription to Ireland and demanding self-government. No doubt they did, and no doubt it was in consequence of those resolutions that Mr. Barnes, one of the most respected of the Labour Ministers in the House of Commons, declared that the Government was determined to pass Home Rule simultaneously with conscription. But the Government did not do it; yet Mr. Barnes and his friends remained with them.

What we want, and the way in which we ought to test the reality of any party's adhesion to any creed which it professes, is not by professions and words, but by deeds. The Liberal Party has shown by its acts its devotion to the cause of Irish self-government; and, so far as the Labour Party in the House of Commons is concerned, it is by their proceedings and their conduct that you must judge of their effectiveness when asked to return a Labour member. The Labour Party have contented themselves with words, and nothing but words.

Russia

Mr. Macdonald ekes out his rather slender and meagre case in regard to Ireland by stating that we were belated converts to the policy of non-intervention in Russia. Well, I have been speaking on that topic in various parts of the country now for a good many months; and there again, it is material to point out

that, while the Labour Party claims to have been first in the field, when this question was raised in the House of Commons in the early spring of last year, upon the introduction by the Government of a Bill to extend the term of conscription in this country for another year, the free and independent Liberals in the House moved an amendment to the Bill to prevent any of the conscripts who were brought into service during the course of the extended term from being sent to or employed in these operations in Russia; but the amendment received most meagre support from the Labour Party, and when the division list is examined you will see that the really effective challenge of these Russian adventures was given in the first instance, not by Labour, but by Liberals. I have thought it right to correct that inaccurate version of recent history, because it is being circulated here with the idea that your memories are so short and your intelligence so numb that you will take it for granted.

Manifesto of the Malcontents

I pass on to say a word or two on another new element which has been brought into the contest—a manifesto issued by a small group—a very small group—of gentlemen who used to be followers of my own, Liberal members of Parliament who have now thought it their duty to secede to the Labour Party. Their names are names with which we were very familiar during the war—Mr. Ponsonby, Mr. Trevelyan, and the rest. I would think more of the scolding they administer to me in this document if I remembered less of their Parliamentary proceedings during the war. Recall the situation when war broke out. It was vital, absolutely vital, to our cause and the cause of the Allies that we should present in Parlia-

ment first of all, and as far as possible in the country, a united national front, and on the whole, with very rare and scattered exceptions, that duty was admirably performed by all parties in the State. No one can forget who heard it, or who has read it, the magnificent pronouncement of the Leader of the Constitutional Irish party—Mr. John Redmond. I remember it with a full heart. No one can forget, or ought to forget, the splendid service in that regard which was rendered to the nation, not only in words but in acts, by the responsible leaders of the Labour Party—Mr. Henderson, Mr. Thomas, Mr. Clynes, and their fellows. We were in all essentials, and, thank God, we remained, a united nation.

The Path of Democracy is the Path of Honour

But there was always a small Parliamentary group, which consisted of the very gentlemen who have signed this manifesto, who hung upon the flanks of the Government of the day, and who, whatever their motives and intentions might have been, did everything that was possible for a small and not very influential body of men to give to the world at large, including our enemies, the impression that we were not a whole-hearted but a divided nation. Criticism which comes from such a quarter you must discount in advance by reference to the credentials of those who presume to offer it. What do they say about me? In the first paragraph they say, "We have joined the Labour Party because it seems to us to offer a larger hope to our generation, and we should like to point out to the electors of Paisley that it is unlikely that Mr. Asquith will ever lead the British people into new paths of democracy." Well, I led the British people at the most

critical time of their existence into the path of honour—and the path of democracy, as I understood it, and as I have always understood it, is also the path of national honour.

I do not understand a democracy, or anything calling itself a "democracy," with however big a "D" it may print the initial letter of its name—I do not call it a true democracy which in great and trying crises like these does not endeavour to make the unity of the nation conscious and effective to the world at large.

Secret Treaties

Next, in this indictment, they allege that I say—and I do say—that the terms of the Peace Treaty made at Paris ought to be revised. "But remember the secret treaties," say these gentlemen. This is the favourite bogey of the political controversialist of the present day who is not, probably, either very scrupulous or very well informed. "Remember the secret treaties. While Mr. Asquith was inviting our people to wage war for self-determination, he and one or two of his colleagues were making a series of secret treaties and arrangements with Italy, France, Roumania, and Russia which contradicted every principle for which we entered the war."

Where did they get that information? They have fathered upon me and my colleagues some treaties which do not exist at all, except in the minds of the signatories of this letter. In regard to those treaties which do exist, and which are appropriately and properly designated as "secret," the arrangements made, first with Italy and then with Roumania, were made, not before the war, and not at a time when I was inviting people to wage war for self-determination. In the one case the treaty was made nine months, and in the other case two years, I think, after we had entered into the

war, and they were arrangements made—which I am prepared to vindicate and justify—for the vital object of bringing first Italy, and then Roumania, on to the side of the Allies.

Let us cast our memories back to the spring of 1915, when this so-called secret treaty with Italy was made, and let us remember what the condition of things then was. We were fighting—the French and ourselves—for our lives on the Western Front in France. Russia, after a very valiant start in the war, had had some set-backs. The German and the Austrian armies, working upon inner lines, were prepared to turn the whole of their gigantic resources to this front or that as the exigencies of war might require. Italy, which had been for years, for the lifetime of a generation, bound to Germany and Austria in what was called the Triple Alliance, had stood aloof from the war; the Triple Alliance did not bind her to go to war on their side. Italy was subject to German influence to a degree which it is now almost impossible to realize. She had a magnificent army, and she had a fine navy. It was not vital—because I think the Allies would have triumphed in any event—but it was almost vital, it was a matter of the highest urgency and importance that we should, if we could do so on honourable terms, bring Italy out of her position, her dubious position of isolation, into the open to make common cause with ourselves. The Italian Treaty, for which not only the British Government but for which France and Russia were equally responsible, represents the terms upon which Italy was prepared to join forces with ourselves. It undoubtedly involved the acquisition by Italy, if we were successful, of a not inconsiderable amount of territory. It is one of the most complex and difficult questions in the whole world to disentangle the problems of nationality upon the

north and east of the Adriatic. We had to do the best we could, and I am prepared to defend, in the circumstances of the case, every one of the provisions in that treaty as being dictated or justified by ethnological or historical or strategic considerations. And I should be only too glad for that secret treaty to go before the League of Nations—very likely it will, sooner or later, if they cannot get a better arrangement between the Jugo-Slavs and Italy—and there be subjected to the most minute and, if you please, suspicious scrutiny and criticism by impartial representatives of all the Powers of the world.

It was concluded, and what was the result? The result was that we got on our side the great Italian Army, and for two years and more Austria was kept in check and prevented from making a successful defensive against Russia, and prevented from joining her surplus forces with the armies of Germany on the Western Front—a combination which would have subjected us to an almost overwhelming and irresistible superiority. I like to make the best bargain I can, but I would have been content with a much worse bargain than the one we made with Italy to obtain such great and far-reaching results.

The treaty with Roumania was not so important, and I need say nothing about its terms.

These Treaties were Belligerent Operations

The sting of the manifesto, apart from the exaggeration of its language, is in the use of the word "secret." "Why secret?" say these gentlemen—as many other people may also do. "Are you not in favour of open diplomacy?" Certainly. The principle of open diplomacy is a very good one, although you will not be able to carry it out to the letter in practice. But remember that these treaties were made during the

war. They were belligerent operations. They were just as much belligerent operations as the arrangements and operations of our General Staff and the General Staff of the Allies. To have disclosed them to the world and to the enemy would have been to give away the secret of our strategy and to destroy with one hand all the advantages you had gained with the other. It is the idlest nonsense to talk about secrecy in these matters in these circumstances as though it were a crime against the law of nations or opposed to the dictates of humanity and equity.

Paris Economic Resolutions

The next charge in the indictment is Free Trade. The manifesto continues: "Mr. Asquith says that the Anti-Dumping Bill is a violation of the fundamental principles of Free Trade. Again, do not be deceived. The Paris Conference Resolutions began this policy in 1915, and were equally a violation of Free Trade. They were negotiated by Mr. Asquith and his Government, and the Anti-Dumping Bill is the result of the betrayal of Free Trade to which he himself first committed the country."

There again these gentlemen either know what they are talking about or they do not, and their case is equally bad either way. As I said at Manchester when I was speaking there a few weeks ago, when I went fully into detail in regard to this matter, the Anti-Dumping Bill has as much and as little to do with the Resolutions of the Paris Conference as the Cow with the crumpled horn had to do with the House that Jack built. The majority of you know perfectly well what the Paris Resolutions were. They were a reply to a declaration of economic war by the Central Powers, Germany and Austria, made at Vienna a few months previously, in which we were threatened, not only with military war-

fare, but with economic and financial warfare, which was to continue after the military operations were over. The Paris Resolutions were purely defensive, a declaration of policy directed against that contingency, and that contingency only, and they expressly preserved to each country that it should have complete freedom to use its own fiscal discretion and act within the limits of its own fiscal system. There is nothing whatever in the Paris Resolutions which has any application to the circumstances as they now exist, because, as you know, Germany and Austria are impotent to wage anything in the nature of an economic war against us, and there is nothing in them which is inconsistent, or would bind us to do anything which is inconsistent, with Free Trade.

On the other hand, in this Anti-Dumping Bill power is sought to exclude not merely the produce of our late enemies—not at all, there is no discrimination of that kind—but to exclude certain specified categories of commodities wherever they come from, from our Allies, from Neutrals, and I believe, as I read the Bill, even from our own Dominions. And the power of varying the import duties which this Bill authorizes to be imposed on the commodities with which it deals is given, not to Parliament, which is the only taxing authority which our Constitution has ever recognized, but given to an outside irresponsible bureaucratic authority which is to exercise it at its own will. These statements in the indictment show a poverty of dialectical resource in these gentlemen, some of whom are well endowed with intelligence, which is more to be pitied than condemned.

Ireland

The next heading of this indictment is Ireland. "The Irish problem," they say, "can only be solved

by those in whom the Irish people believe, and there is no politician whom they more profoundly distrust than Mr. Asquith." I wonder if that is true. Do they believe it? We shall not know yet; until the ballot-box yields up its secret we shall not know how the Irish voters vote, but I have a very shrewd suspicion—not based merely upon hope or illusion—I have a suspicion that a not inconsiderable number of those votes will be given to the man who is "more profoundly distrusted than anybody else in Ireland." I think, without being unduly egotistical, I may say that the Irish will be performing an act not only of wisdom but of gratitude if they record their votes for me.

After being in public life now for thirty-five years, I say, without fear of contradiction, that there is no living statesman in this country who has given more time, more energy, more care, and more devotion to the cause of Irish self-government than I who now appeal for your suffrages.

Reconstruction

When they come to discuss "Social Reconstruction," the gentlemen signing this manifesto seem to think that I am a particularly hopeless person, who does not advance with the times, because among other things I am not in favour of the Nationalization of the mines and of the land. I frankly say I am not. It is not, as I have elsewhere endeavoured to point out, a measure of progress; it is a measure of reaction. It is not a measure in the direction of freedom, but in the direction of restraint, not in the direction of the development of industry, but of its being fettered and curtailed and hampered and eventually impoverished. I wish to see the largest possible output of production. It is the only way in which we can escape from our present financial and economic difficulties. I want to see a

more equitable, more economical, more prudent system in the management of our mines which will associate the miner with the employer and keep a State watchdog there to look after the interests of the consumer. I want more democratic management on the one hand and more output on the other, and we must not be bewildered and allured by this will-of-the-wisp, but must act for the good of both worker and employer and, what is more, the good of the community at large.

XV

Liberalism and Labour

ALTHOUGH this is a meeting of women, I am going to deal with the political situation as it affects not women only, but the whole community. I am sure that the newly enfranchised women will enlarge their vision beyond the topics which are specially and peculiarly interesting to many of them as a class, and will recognize and realize that the franchise as given to them is a trust to be exercised for the community and for the Empire as a whole.

Lord Haldane's Visions

I was reading this morning a report of an interview which has been given to a representative of the Labour Party by Lord Haldane. Lord Haldane is one of my oldest, in fact I think he is my oldest personal and political friend, and no words can exaggerate the debt which I believe this country and the world owes to him for the patience, the assiduity, foresight, and skill with which he brought into existence and organized for effective action the Army which rendered such a magnificent account of itself during the war. But for Lord Haldane and what he did at the War Office, that Army would have been, relatively speaking, an unimportant factor in the decision of the destinies of the world. It is therefore with the more regret—indeed I might almost say with apprehension—that I see Lord Haldane is reported to have said that Liberalism is

passing away, and that it is with Labour that the hope lies for to-morrow.

Let us just consider what that means. Why are we asked to desert the old creed of Liberalism, to put it on the scrap heap, to write the epitaph of the party which has been the pioneer of progress and of enfranchisement throughout our past history? Why are we, at this moment of all others, to resort as fugitives and refugees into this new tabernacle, of which Lord Haldane says, with rather an ingenuous air, that its roof ought to be wide enough and high enough to cover very many different kinds of men and women? Why should we do it? He tells us first that Labour has realized that it must unite the brain that planned with the hand that performed. I am glad that Labour has realized that, but to us Liberals it is no new discovery. We have always recognized and acted upon the belief that it is not manual labour alone that gives an individual or a class the right to an ascendant or dominating voice in the policy of the country. Brains, intelligence, skill, experience in management—they are all to be taken into account; they are in their degree and in their sphere just as important factors in the aggregate of our national production as is the work of those who toil with their hands. It is not a revelation come from a new Mount Sinai; it has been a thing familiar to Liberals for generations past. Then he tells us—it is the only reason I can discover for the invitation to us to abandon our old faith and fold up our old tents and to resort to a new camp—he tells us that Labour alone has Vision. A short time ago my noble friend told us in a speech that Labour had captured the heights. I ventured to point out to him that political controversy and political warfare is waged not on the heights but in the plains. Why should we come to

the conclusion that by some undiscovered and unexplained process the Labour Party has suddenly acquired a monopoly of this mysterious faculty called Vision. Vision of what? Politics, remember, is a serious and practical business. It is not a matter of hill-climbing and star-gazing. You have to deal in politics with concrete realities, with every-day questions, not merely with ideals and ends about which there is a great deal of general agreement; but what is far more important for the average man and woman—yes, what is far more important for the great community of which they are units and parts—the road by which we are to attain these ends and to achieve these purposes.

A Practical Test

Let me give you a concrete illustration—the only one which Lord Haldane's interview enables one to take by way of a test. He mentions a question which is occupying, as you know, a considerable part in our controversy with the Labour Party—nationalization, and particularly nationalization of the mines. I have pointed out that while we are not satisfied with the existing organization of the mining industry, while we think that there are large opportunities for reorganization and readjustment, while we think that in the future the direction and the management of the industry should be of such a character that the miner is associated, with a living representative voice, with the owner and the managers in the common adventure, the State also as representing the consumer ought to be there. That I believe to be a thoroughly practical scheme which will bring conjoint action of the interests concerned, and which would not forfeit, as any scheme of so-called nationalization would forfeit, the advantages of the accumulated experience and special knowledge

of those who are acquainted with every detail of this most complicated and intricate industry. The alternative is a really bureaucratic alternative. But what, by way of practical suggestion, does Lord Haldane say about that? His scheme is this: you are to postpone nationalization for a short term of years—three or five—and in the meantime you are to train up, by some undefined method and in some school, the nature and character, appliances, and instructors of which it is very difficult even to imagine, a new set of Civil servants with capacity to take responsibility, to discharge orders, to anticipate instructions, and to have the knack of leading men. Is that business? Do you really believe that if you could pen up, after some preliminary process of sifting by way of selection and choice, these intelligent novices, and give them all the training the most elaborate system of technical education could possibly devise, you would then find a set of men capable to take responsibility, and with a knack of leading others, whom you could turn loose into the mining industry, and produce those anticipated and hitherto unexperienced results?

No, it is a chimera; it is a dream, and has no relation to the actualities of life. What you want and must do in mining, as in many other forms of production, is not to try to discover a new set of heaven-inspired and heaven-guided directors; you want to utilize the skill, the experience, the productive and organizing power which is already there, to make the most of it, to effect, as could and ought to be effected, the removal of duplication and multiplication of unnecessary offices and obstacles. Organize industry on a businesslike basis, but do not get rid of those who by long training, constant experience, and daily contact are best qualified to produce the greatest output. Having obtained this output, then distribute under the most

wholesome conditions a fair share of the general produce between the different interests concerned.

Old Age Pensions

I observe that my Labour opponent spoke last night on two topics, in regard to both of which he asked his audience to draw conclusions which, as I shall endeavour to show, are entirely unwarranted by the actual facts of the case. The first is Old Age Pensions. The history of Old Age Pensions ought, by this time, to be familiar to everybody who is acquainted with the ABC of politics. My opponent says that we should never have had Old Age Pensions in this country but for the persistent pressure of the Labour Party. The truth is, the Labour Party had just as much and just as little to do with the acquisition of Old Age Pensions as they have to do with the next eclipse of the moon. In fact when the apportionment of praise or of blame is being given, the late Mr. Joseph Chamberlain is entitled to a great deal more credit than the whole Labour Party. He, at any rate, foresaw and pressed the necessity for Old Age Pensions. He went, I think, the wrong way to work out a practical scheme. When I said to Mr. Chamberlain across the floor of the House of Commons: "Did you promise Old Age Pensions?" and he said: "Well, I did not promise them, I but proposed them." I replied: "It was a proposal the breach of which would sustain an action for breach of promise." But the truth about this matter is that the Labour Party did nothing. We cannot rewrite history for the benefit of the Labour Party. Old Age Pensions were entirely due to a Liberal Government—they were proposed by me as Chancellor of the Exchequer. The gift to our old men and women, veterans of industry, who now enjoy

this long-delayed and, as I agree, still inadequate recognition of the services they have rendered in their best days to the State, is due to the Liberal Party alone.

War Finance

I must deal with one other statement made by the Labour candidate in regard to the financial situation. He said that "it was Mr. Asquith who really started the financial policy which is to blame for our position to-day." How did I start it? He said it is Mr. Asquith and his Government who, in order to obtain money, adopted the policy of borrowing, and goes on to suggest that the Labour Party were entirely opposed to the principle of borrowing money for the conduct of the war. They proposed, on the contrary, the conscription of wealth.

This is again a matter of fact. Let us see how the facts really stand. It is impossible—it has been found impossible by every nation in the world, not excluding the United States of America, the richest of them all—to carry on a war on the scale of the Great War which is now happily at an end, without borrowing. You cannot do it. The enormous day-to-day expenditure which you have to incur, some part of it, some large part of it, you must necessarily raise by temporary loan. Under the auspices of my Government—I say it without hesitation, and nobody who knows the facts can deny it—a greater contribution towards the cost of the war was raised here in Great Britain by taxation than in any other belligerent country. It is suggested that the Labour Party opposed the policy of loans. Where and when? I want chapter and verse for that. They did nothing of the kind. The Labour Party was represented—not,

indeed, in the Government which was in power at the beginning of the war—but in both Coalition Governments that followed it; and so far as I am aware—certainly not in the time of my Coalition Government; certainly not in the time of the Government that succeeded it—did the Labour Party oppose a policy of loans. They had an opportunity for doing so when the present Government was formed by refusing to take part in it unless it substituted for a policy of partial borrowing a policy of exhaustive taxation. They did nothing of the kind. They joined the Government in large numbers and remained in it until the time of the General Election.

The Ineffectiveness of the Labour Party

Were they in favour of conscription of wealth? What are the facts? The facts are these. The Labour members for the first time—so far as I know, and so far as the public know, and, I believe, so far as they know—for the first time raised the question of what is called a capital levy by a deputation which went to Mr. Bonar Law in November, 1917, exactly twelve months before the war was over; and then they only advocated it as an expedient to be resorted to after the war.

What has happened during the last twelve months in this Coalition Parliament that was elected in December, 1918? What is the record of the Labour Party in regard to financial extravagances? During the last year the estimates for the Army were £440,000,000; for the Navy, roughly speaking, £150,000,000; and for the Air Service £66,000,000—a total of £656,000,000. This is entirely for armament services, and that total was raised by the supplementary estimates, which have since been presented, until it reached an aggregate of £774,000,000 in the time

of peace. Who protested? Who resisted? Who criticized? That task was left to the free and independent Liberals in the House of Commons, and the Labour Party, although far more numerous—I suppose more than double in point of numbers—never raised one really effective protest during the whole of that time against this profligate and wasteful and growing expenditure. The Labour Party sent to the House of Commons in December, 1918, has been in no sense an effective or useful champion of public economy. It has been left to the Free Liberals who—in diminished numbers and under adverse conditions, struggling against a hostile and often contemptuous majority—have, under the leadership of my Rt. Hon. friend, Sir Donald Maclean, fought strenuously to uphold the good old Liberal principle of Retrenchment.

What this country wants, and wants more than anything—as I have indicated to you from the outset of this contest—is a return to economy of expenditure and to sound finance. There is only one quarter from which you can get it, and that is from the one party, the one section of the Non-Coalition Members of the House of Commons who are the really vital and vigorous and organized Opposition. I ask you to send me to join their ranks, in order that, with whatever reinforcement of experience and possibly even of authority I can bring to their aid, we may, instead of indulging in rhetorical platitudes about enlargement of vision and the climbing of hills and the rest of it, settle down to the really serious practical work of rescuing this country from the imminent, formidable, financial dangers which confront it, and which, believe me, are the real, and so long as they exist, the insuperable obstacles in the path of true social reform.

XVI

A Closing Word

I ACKNOWLEDGE, and I am glad to have this public opportunity of acknowledging, the heartfelt and most gratifying expressions of sympathy and of goodwill from representative Liberal bodies throughout the length of the United Kingdom. I believe that up to this moment—and they still continue to pour in—we have something like 250 resolutions. They may be more for all I know. That is a significant fact, quite apart from any personal or local considerations. The free and independent Liberal Party in the House of Commons does not, I believe, at this moment number more than something like thirty members. If you deduct the thirty constituencies which they represent from the 250 which have sent us resolutions you have a pretty fair indication of what Liberal opinion is in places which are at present not represented by free and independent Liberal members. I have also received—what I value very much, because it comes from one who has never belonged to our political fold and who is by universal consent one of the outstanding figures in our public life, Lord Robert Cecil—an expression of goodwill from the point of view of those who are convinced that the first and most urgent need of our public life at the present time is a reconstitution of an instructed and organized Opposition in the House of Commons. I may, perhaps, also quote, without blushing too much, a tribute which was paid to me by that

well-known and able Labour leader, Mr. J. H. Thomas, who, I observe, is advertised to speak for my opponent in this contest. I don't know whether he has since changed his mind, but as lately as January 1st, 1919, immediately after the General Election, this is what Mr. Thomas said: "His defeat proves that there is no gratitude in politics, but he can safely leave his place and record to the judgment of history, when a different verdict from that of the calumny and abuse which is now showered upon him will be recorded." I think I am entitled, having quoted the messages that have come to me from the Liberal Associations and the very kind and generous letter of Lord Robert Cecil, who has always belonged to the Tory Party—I think I am entitled to round the tale by giving this tribute from the very heart of the Labour camp.

The Liberal Party's Work for the People

I have from the first protested, as I again protest, that the Liberal attitude on any of the great political controversies which lie before us is not an attitude of animosity against Labour. I have demonstrated to you that, if you look to the past record of the Liberal Party, you will find in it the successive steps by which the labouring people of this country have achieved political and industrial enfranchisement. I have shown also that during the latest of our Liberal administrations—that of which I had the honour to be the head—the stream of beneficent Liberal progress continued to flow as strongly, and with as vitalizing and enriching results, as in any era of the past.

I must say one more word about Old Age Pensions. I have more than once given the facts about Old Age Pensions, and it is a very hard nut for the Labour Party to crack. What is the history? It can be told

in a sentence. The Labour Party passed resolutions; the Unionist Party—which had among it some honest and energetic supporters of Old Age Pensions, like the late Mr. Chamberlain and the veteran Lord Chaplin—the Unionist Party contented itself with a series of committees and commissions; but the Liberal Party, as soon as the opportunity offered, did the job. I find, in a leaflet circulated by the Labour Party that, satisfied that they could make nothing of the old story that it was they, and not we, who gave the people Old Age Pensions—they have started a new hare. The leaflet is headed “Old Age Pensions: Asquith opposed an Increase,” the suggestion being that during the war, when a claim was made for an increase to the Old Age Pensioners’ Dole in consequence of the increased price of food and other necessities and comforts of life, I myself, and the Government of which I was the head, returned a blank negative. What is the fact? The fact is that in the month of August, 1916, a month after the date which is given in this precious document, after making the most careful inquiries—and I need not add, being myself the author of Old Age Pensions, in the most sympathetic spirit—after making the most careful inquiries I announced on behalf of the Government a maximum additional grant of 2s. 6d. per week for those suffering from hardship owing to the high prices of food and other economic conditions arising out of the war.

I have further pointed out, on examining the credentials of the two parties, that, where we have common ends (and we have a great many) the representatives of Labour have shown themselves in this House of Commons a lethargic and impotent Parliamentary force. Over and over again during the last twelve months, in the critical divisions of the session, the defence of the principles which we and they share—

principles like Free Trade, like the terms upon which the land should be acquired for public purposes—has been left to the free and independent Liberals, and the Labour Party have almost invariably left them in the lurch. Now, these are hard facts; they cannot be contradicted; they cannot be got over; and they cannot be explained away. The only explanation I have seen has been this—that so many of these gentlemen are engaged in looking after the business of their own Trade Unions that they really cannot afford the time for regular Parliamentary attendance. I have no doubt the position of a Trade Union official is a very exacting one; that of an official of a Co-operative Society may be an exacting one too. It rests with the electors to say whether they will or will not send to the House of Commons men who have the time as well as the inclination and the ability to attend to Imperial interests.

Rooted Difference between Liberalism and Socialism

Well, but our quarrel, such as it is, with the Socialist Party goes deeper than that. We have some principles, some purposes, some aims, in common, and I am most anxious that, where we are upon common ground, and are co-operating for common ends, we should act together. But there is a rooted difference of principle between us which it is no good attempting to disguise or to slur over. We believe that in the future, as in the past, the real line of progress is to be found in opening out opportunities; in giving the freest and fullest scope to individual initiative and enterprise; in protecting, it is true, the consumer and the community against exploitation by combinations and rings,

whether of capital or labour; but always in every field, whether of legislation or administration, not thinking of the interests of a class, however large it may be, but making the interests of the whole community the guiding and inspiring motive of all that we do. On the other hand, as you know, the Socialist Party are bound by their creed to go step by step to the Nationalization or Socialization (it does not matter what term you use) of one industry after another—depriving the community of the inestimable and immeasurable advantage of industrial freedom.

I have pointed out further that in the sphere of our international relations, as the world has been left by the war, it is not only our interest, but it is the interest of all nations, to recognize and realize their fundamental unity and interdependence. I went into the matter in reviewing the terms of the Peace Treaty a few nights ago, and I have not a word to qualify or retract in what I then said, although I see that Paisley is now placarded with bills saying, "Asquith is going to let Germany off cheap." This, I say, is silly as well as scandalous, and as scandalous as it is silly.

I say again that the most formidable obstacle to the reconstruction of the world upon sound and sane and progressive lines is the problem presented by Russia. I see that the Prime Minister has uttered almost identical sentiments in the House of Commons at Westminster. I will read two or three sentences from his speech which I heartily endorse: "You cannot restore Europe without putting into circulation the resources, strength and the wealth of Russia." Again, "You cannot crush Bolshevism by force of arms." And again, "I can conceive no method that would more thoroughly arouse the patriotism of the Russian people and engage them

so much on the side of existing authority, than the advance of a number of foreign armies into their country." Excellent, most excellent. This is what I have been preaching for months; but the curious thing is this, that the Prime Minister says he was of that opinion a year ago. Then why, during last year, when we have been spending a hundred millions of the British taxpayers' money on fostering and fomenting and feeding the various armies which have been engaged in internal disturbances in Russia, why has not that been the guiding principle of British policy? I go one step farther than, so far as I can see, the Prime Minister is disposed to go; I go farther, and I say: Resume trade relations with Russia by all means; get rid of the blockade, which is just as ruinous to us and to the world as it is to the Russians themselves; but I go farther, and I say, Make peace with Russia. I know the things that are alleged, and in many cases truly alleged, against the Bolshevik regime. I am not apologizing for the deeds of outrage and crime which have marked some of these steps and stages. But when it is admitted—and no one admits it more frankly than the Prime Minister—that the Bolshevik armies are irresistible, and that the national patriotism of the Russian people is behind them, it is for us as practical men, having regard to the gigantic interests not only of ourselves but of the whole world, it is for us to come to reasonable and advantageous terms with the Government of Russia, whatever it is.

Finally, the problem of finance overshadows, in some senses, and dominates the whole political arena. You know what my policy is: To stop borrowing; to decrease debt; to introduce and enforce rigid economy in every branch of the public services, and most of all in the non-remunerative services which are connected with

armament; to impose taxation where it will be most productive and where it can most equitably fall; and, above all, to maintain unimpaired and untouched our system of complete Free Trade. There is no ambiguity about all this. So far as I am concerned, when you go to the Poll to-morrow you will know now not only what person but what principles you are voting for. Paisley has never faltered. I have called her, and I think with truth, the Maiden City of Scottish Liberalism. Paisley has never faltered; she has always been true; she is not going, I believe, for the first time, in a crisis such as this in our national history, to fall from her allegiance. I have one word and one final word to say to you: Be true to Liberalism and I will be true to Paisley.

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DATES OF THE SPEECHES

The foregoing chapters are taken from speeches delivered in Paisley between January 25th and February 12th, 1920.

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|--|---|----------------------------|
| 1. The Liberal Record . . . | . | <i>Monday, Jan. 26.</i> |
| 2. Constitutional Questions . . . | . | <i>Wednesday, Jan. 28.</i> |
| 3. National Finance . . . | . | <i>Tuesday, Jan. 27.</i> |
| 4. Industrial Problems . . . | . | <i>Thursday, Jan. 29.</i> |
| 5. Record of the Coalition Govern-
ment . . . | . | <i>Friday, Jan. 30.</i> |
| 6. Women's Questions . . . | . | <i>Saturday, Jan. 31.</i> |
| 7. Ireland . . . | . | <i>Monday, Feb. 2.</i> |
| 8. Organization of Industry . . . | . | <i>Tuesday, Feb. 3.</i> |
| 9. Finance and Trade . . . | . | <i>Wednesday, Feb. 4.</i> |
| 10. The Peace Treaty . . . | . | <i>Friday, Feb. 6.</i> |
| 11. Housing . . . | . | <i>Wednesday, Feb. 4.</i> |
| 12. The Land Question . . . | . | <i>Monday, Feb. 9.</i> |
| 13. Russia . . . | . | <i>Tuesday, Feb. 10.</i> |
| 14. Replies to Critics . . . | . | <i>Thursday, Feb. 5.</i> |
| 15. Liberalism and Labour . . . | . | <i>Saturday, Feb. 7.</i> |
| 16. A Closing Word . . . | . | <i>Wednesday, Feb. 11.</i> |

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NOV 17 1961	NOV 15 1971	
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AUG 12 1965		
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